

Management Response to the Laos Australia Institute Phase III Independent Review

DFAT welcomes the independent review of Australia's human resource development program in Laos - Laos Australia Institute (LAI) Phase III. The review identified the progress of LAI 3 from July 2021 to December 2024 and assessed relevance, effectiveness, efficiency, monitoring and evaluation framework and cross-cutting themes such as gender equality, disability and social inclusion and climate change. It provides recommendations for the remaining period of LAI from January 2025 to September 2026 and for the design of LAI Phase IV.

This document outlines DFAT management's response to the independent review prepared by Alinea International during October 2024 – May 2025. It summarises the key recommendations in the review and provides a response and proposed action.

No	Recommendation	Response	Action plan	Timeframe	Comments
1.	Continue key Laos Australia Institute (LAI) Phase III initiatives, including Australia Awards Scholarships (AAS), trilateral engagement, short courses, alumni activities, and tools like the Organisational Rubric for Capacity Assessment (ORCA).	Agree	<ul style="list-style-type: none">DFAT will ensure continuity of key legacy activities through targeted HRD stakeholder engagement and integration into LAI Phase IV.DFAT will coordinate with both current and new managing contractors (MC) to support a smooth transition of key initiatives into LAI Phase IV, with details in handover notes.	On-going till September 2025 and to be further implemented in LAI Phase IV	

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1.1	Focus on building institutional ownership by embedding tools and training in Lao government systems.	Agree	<ul style="list-style-type: none"> DFAT will collaborate with the managing contractor (MC) and government bodies to embed current trainings (Human Resources Modular, Practical Inclusion, English Language trainings) into Lao government training institutions where possible. MC will look for opportunities to conduct sustainable train-the-trainer programs with Government of Laos partners (where appropriate). DFAT will further explore opportunities to institutionalise future trainings in Phase IV. 	By June 2026	<p>DFAT and LAI have begun embedding trainings into government institutions including:</p> <ul style="list-style-type: none"> English Language training embedded at the Institute of Foreign Affairs, National University of Laos, Ministry of National Defence, and National Academy of Politics and Public Administration. Conducting training of the trainers for HR Modular training for LAI governance partners.
1.2	Strengthen Monitoring and Evaluation (M&E) efforts to capture institutional impact and EOPO progress of LAI Phase III.	Agree	<ul style="list-style-type: none"> DFAT and MC will continue to gather institutional-level indicators and case studies in the Monitoring, Evaluation, Research, Learning and Adaptation (MERLA) framework. DFAT will use insights from targeted MERLA to guide LAI Phase IV design and revised MERLA framework development. DFAT and MC will continue to work with partners to embed MERLA tools such as ORCA, in government systems to ensure capturing of institutional-level HRD impact, data-driven decision- 	By June 2026	LAI implements a range of tools to capture institutional-level impact, including the Human Resource Development Impact Surveys, Institutional Impact Interviews, English Language for Government Officials (ELGO) case-study and ORCA. Further collection of this data will continue over the remainder of Phase III, helping to strengthen reporting against all EOPOs, but especially EOPO2.

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			making and sustainability of LAI's activities. sustainability and impact tracking.		
2.	Explore aligning human resource development (HRD) efforts strategically with bilateral goals by supporting long-term HRD strategy and expanding HRD or skills development beyond civil service human resource management (HRM) to priority sectors (e.g., ICT, logistics, tourism, renewables).	Agree	<ul style="list-style-type: none"> DFAT will consider this recommendation in LAI phase IV design, particularly the opportunities and risks of going into specific emerging sectors. Feasibility study and research will be conducted to explore the proposed approach and identify possible sectors. Consultation with relevant government organisations is also needed to seek agreement and explore the possibility. 	By December 2025	The analysis in the review seems to be based on measuring LAI Phase III outcomes against Government of Laos' HRD institutional and policy reform. This was not the intention of LAI Phase III. LAI was designed to support the Lao Government in strengthening its HRD system so that the Lao Government has capacity and capability to design and implement its own workforce strengthening and development. There is also little evidence in the review to back up the statement that LAI Phase IV should focus on HRD improvements in specific skill-gaps or sectors such as ICT, logistics, tourism and renewable energy noting that these are sectors already active with other development partners (i.e. LuxDev, ADB)

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2.1	Develop an options paper for professional development programs targeting senior officials, ensuring HRD planning aligns with sectoral policy needs and skills gaps in high-growth industries. The paper should explore opportunities for sector-specific policy dialogues and mechanisms to influence the National Human Resource Development Strategy (NHRDS) to address skills shortages in priority sectors.	Noted	<ul style="list-style-type: none"> DFAT and MC to consider this recommendation in LAI Phase IV design. LAI Phase IV design will consider alignment with the new National HRD Strategy 2026-2035. 	By December 2025	See above comment.
3.	Refining the program logic to towards practical workforce planning, leadership development and sector-specific skills development to complement efforts to support long-term strategy and policy reforms.	Partially agree	<ul style="list-style-type: none"> DFAT and Phase IV design team will analyse and consider opportunities in practical workforce planning and sector-specific skills development for HRD during LAI Phase IV design before refining the program logic. DFAT will work with MC to include sector specific short courses into LAI Phase IV to better coordinate joint effort in responding to Laos' development priorities. The sectors will be selected based on priority sectors outlined in the Development 	On-going till June 2026 and to be further implemented in LAI Phase IV	See above comment

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			Partnership Plan, Laos' 10 th National Socio-Economic Development Plan and the new NHRDS 2026-2035.		
4.	<p>Improve efficiency and sustainability of program outcomes.</p> <p>While Australia's experience-sharing remains highly valued, LAI should enhance efforts to localise training content by incorporating agency-specific case studies. These should be tailored to the unique challenges faced by each Ministry, Department, or Unit, ensuring participants can directly apply the knowledge to their workplace and roles.</p>	Agree	<ul style="list-style-type: none"> • DFAT and MC to continue to localise trainings to suit targeted government organisations to ensure participants can apply knowledge and skills in their workplace. • DFAT and MC to continue involving local subject matter expert/institutions to co-deliver trainings where possible and conduct train-of-the-trainers. Training materials shall be digitised for easier access via phones after the training is finished. • MC to support post-training follow-up to monitor the impact of the trainings and application of skills and potentially see the possibility of establishing the community of practice/mentorship program within government organisations to reinforce continuous learning and practice sharing between trainings alumni. 	On-going till June 2026 and to be further implemented in LAI Phase IV	Planned case-study to be implemented by end of Phase III on ELGO implementation and HR Modular training, to strengthen data on the impact and sustainability of locally owned and implemented training delivered by LAI and provide recommendations for Phase IV.

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4.1	Deepening the Laos-Australia alumni engagement is crucial for sustaining the program's impact. Structured mentorship programs that connect experienced alumni with early-career alumni professionals and scholarship recipients, particularly from marginalised communities, will foster continued capacity-building. Digital platforms can be leveraged to facilitate knowledge-sharing, ensuring that alumni remain active contributors to the program's long-term success.	Agree	<ul style="list-style-type: none"> DFAT and MC to develop the new Alumni Engagement Strategy in LAI Phase IV. MC to strengthen existing alumni mentorship programs, such as the second delivery of the Women in Leadership Learning Circles program and through the formation of Communities of Practice. These initiatives enable continuous engagement and capacity-building for the next generation of alumni leaders. DFAT and MC to boost engagement with features for Alumni360 platform to facilitate knowledge sharing and engagement. 	Ongoing till June 2026 and to be further implemented in LAI Phase IV	In LAI Phase III, Alumni360 platform – a digital platform has been created that keeps alumni data, provides updates to alumni on engagement activities, events, and news. This platform was targeted to boost the engagement between alumni in Laos and currently has over 30% of documented alumni activated. The platform is designed to be interactive, and alumni can create content, knowledge sharing and special interest groups.
4.2	Adopt blended learning models—such as modular training on emerging issues like digital governance and climate action—to increase accessibility while optimising resources. Senior leadership short courses in Australia can provide valuable exposure to international governance practices, offering a politically	Partially agree	<ul style="list-style-type: none"> DFAT and MC to consider adopting blended learning models for LAI broader capacity building initiatives to increase provincial individual's access to LAI's capacity building initiatives. DFAT to continue targeting senior officials/decision-makers in leadership short courses that include an element conducted in Australia but also in the region, through initiatives such as MAP, 	On-going till June 2026 and to be further implemented in LAI Phase IV	Lesson learnt from HR Modular training indicate slow take-up of online learning modes. A blended approach may include improvements in digitalisation of learning materials while continuing face to face delivery.

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	neutral setting for bilateral collaboration.		to expose officials to new government inclusive and sustainable practices.		
4.3	Expanding engagement with the private sector and leverage the Lao Human Resource Society (LHRS) to strengthen cross-sectoral HR networks. Institutionalising such networks within existing Lao professional associations or chambers of commerce will provide greater continuity and foster public-private dialogues.	Agree	<ul style="list-style-type: none"> DFAT will advocate for more private sector engagement with Lao Government and consider including private sector institutions/bodies like the Lao National Chamber of Commerce (LNCCI) in LAI Phase IV governance mechanism. DFAT will explore opportunities to leverage the LHRS activities to include policy roundtables/dialogues, HR working groups, capacity building, mentorship programs to facilitate peer learning and cross-sector engagement. LHRS membership shall be promoted to government members to have a balanced mix of government and private sector membership for strategic HRD engagement. A potential for institutionalising LHRS within LNCCI, Lao Young Entrepreneurs Association of Laos and other existing HR networks will be explored. DFAT to work with the Design Team and LHRS to develop an options paper for private sector engagement and skills development in LAI Phase IV. 	On-going till June 2026 and to be further implemented in LAI Phase IV	The establishment of the LHRS has been 100% facilitated by LAI since 2023. It was initiated by active alumni who participated in the first HR Leaders short course and is now supported by a short-term HR Consultant working on an implementation planning, including a website and schedule of activities. Currently the LHRS has almost 100 members, with 87% from the private sector.

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4.4	Explore options to better balance existing politically and economically relevant program components with equity-driven initiatives, such as reinstating LANS scholarship targeted for individuals with disabilities.	Agree	<ul style="list-style-type: none"> DFAT and MC to continue mainstreaming GEDSI in LAI Phase III activities. DFAT and the Design Team to explore the feasibility of reintroducing Laos Australia Institute Scholarships (LANS) with a focus on students with disability in LAI Phase IV. DFAT and MC to continue GEDSI-targeted activities and mainstream equity in LAI Phase IV activities, including setting targets for disadvantaged groups participation, integrating equity-focus selection criteria, equity impact grants, disaggregated data collection. 	Ongoing till June 2026 and to be further implemented in LAI Phase IV	
4.5	Develop an options paper to inform Phase IV's sustainability strategy, embedding successful Phase III training initiatives into the national curriculum for public sector officials under the National Academy of Politics and Public Administration (NAPPA), Ministry of Education and Sports (MoES), and Ministry of Home Affairs (MoHA) training	Agree	<ul style="list-style-type: none"> DFAT and MC to develop sustainability strategy for LAI Phase IV activities. DFAT will work with the MC and relevant government institutions to embed current training curriculums into national curriculum for public sector officials where possible, including under NAPPA, MoES, MoHA (and new relevant Ministry after Lao Government's restructure), Institute of Foreign Affairs and other government 	By December 2026	Planned case-study to be implemented by end of Phase III on ELGO implementation and HR Modular training, to strengthen data on the impact and sustainability of locally owned and implemented training delivered by LAI and provide recommendations for Phase IV.

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	centres to institutionalise the program's impact.		training institutions, and continue the effort in LAI Phase IV.		
5.	Continue to strengthen GEDSI and climate change integration across all program activities, ensuring equitable access to HRD opportunities.	Agree	<ul style="list-style-type: none"> • DFAT and the Design Team to include GEDSI and climate change objective in LAI Phase IV program logic. • DFAT to ensure relevant GEDSI and climate change organisations/groups are involved in LAI Phase IV design and further engaged in program implementation. • DFAT and MC to build on the existing MERLA framework that incorporates GEDSI and climate change targets/indicators. • MC to build on the existing GEDSI Strategy and development new climate change strategy in LAI Phase IV. • DFAT to explore allocation of specific budget lines and dedicated resources to monitor GEDSI and climate mainstreaming in LAI Phase IV. 	Ongoing till December 2026 and to be further implemented in LAI Phase IV	

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5.1	Explore feasibility to reinstate LANS in Phase IV program design, targeted especially for individuals with disability and conduct an in-depth assessment or a deep dive of how to support people with disabilities alumni post-LANS scholarship in advancing their careers and increasing their participation in Laos' socio-economic development.	Agree	<ul style="list-style-type: none"> DFAT will work with the Design Team to explore feasibility of reinstating LANS scholarship with a focus on disability students and ensure it responds to recommendations from LAI Phase III Formative Review on LANS. The assessment would need to include approaches for LANS disability alumni support post-scholarship, alumni engagement support and supporting their participation in Laos' socio-economic development. 	By June 2026	
5.2	Given the anticipated increase in participants with disabilities, LAI should strengthen targeted support for Australia Awards Scholarships (AAS) applicants with disabilities. Notably, in the 2025 intake, 8% of AAS applicants identified as having a disability, despite the proportion of eligible applicants with disabilities remaining at just 2%.	Agree	<ul style="list-style-type: none"> DFAT and MC to explore additional targeted support for AAS applicants with disabilities. DFAT to explore targeted disability support with Australia Awards programs in the region. DFAT will work with new Australia Awards Global Support Mechanism (AAGSM) on-award disability leadership program. 	By March 2026	LAI is already providing targeted support for AAS applicants with disability through targeted AAS information sessions, support with applications, conducting information sessions at accessible venues, providing sign language support, including alumni with disability in AAS promotional materials and AAS information sessions.

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5.3	Expand Laos-Australia alumni-led projects focused on climate resilience and disability inclusion.	Agree	<ul style="list-style-type: none"> DFAT to work with MC to continue to target and expand Laos-Australia alumni-led projects and small grants program to focus on climate resilience and GEDSI, especially disability inclusion. 	On-going till September 2025 and to be further implemented in LAI Phase IV	