
Laos-Australia Human Resource Development Program

2013 - 2017

Program Design Document

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LIST OF ACRONYMS

Figure 1: Acronyms and abbreviations

AAF	Australia Awards Fellowships, formerly known as ALAF
AALP	Australia Awards Leadership Program, formerly known as ALAS
AAS	Australia Awards Scholarships, formerly known as ADS
ABEL	Access to Basic Education in Laos
ADB	Asian Development Bank
ADS	Australian Development Scholarships (former), see AAS
AFD	Agence Française de Développement (French Development Agency)
ALA	Australian Leadership Awards
ALAF	Australia Leadership Awards Fellowships (former), see AAF
ALAS	Australia Leadership Awards Scholarships (former), see AALP
ALASA	Association of Lao Australian Scholarship Alumni
AP	Annual Plan
AusAID	Australian Agency for International Development
BoP	Basis of Payment
COPE	Cooperative Orthotic Prosthetic Enterprise
CSO	Community Service Organisation
DAC	Development Assistance Committee
DCS	Australia Laos Development Cooperation Strategy 2009-2015
DIC	Department of International Cooperation
EA	Executing Agency
EAP	English for Academic Purposes
EC	European Commission
ELP	English Language Proficiency
EU	European Union
4YRP	Four-year Rolling Plan
FMC	Facility Managing Contractor
FY	Financial Year
GBV	Gender Based Violence
GNI	Gross National Income
GoA	Government of Australia
GoJ	Government of Japan
GoL	Government of Laos
HRD	Human Resource Development
ICR	Independent Completion Report (on LASP)
IDA	International Development Association (WB)
IELTS	International English Language Testing System
JICA	Japan International Cooperation Agency
JSP	Joint Selection Panel
LANS	Laos Australia National Scholarships
Lao PDR	Lao People's Democratic Republic
LASP	Laos-Australia Scholarships Program
LDC	Least Developed Country
LDPA	Lao Disabled Persons Association
LaoNCAW	Lao National Commission for the Advancement of Women (a semi-governmental body approved by the GoL)
LPRP	Lao People's Revolutionary Party
LWU	Lao Women's Union

M&E	Monitoring and Evaluation
FMC	Facility Managing Contractor
MDG	Millennium Development Goals
MLSW	Ministry of Labour and Social Welfare
MoES	Ministry of Education and Sports
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoHA	Ministry of Home Affairs
MoIC	Ministry of Industry and Commerce
MPI	Ministry of Planning and Investment
NFP	Not for Profit (organisation)
NGO	Non-Government Organisation
NPA	Not for Profit Association / Non-Profit Association
NIFY	University of NSW Foundation Year
NUOL	National University of Laos
NZAP	New Zealand Aid Programme
OASIS	AAS/AALP information management database
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PD	Paris Declaration
PIP	Public Investment Programme
PIU	Project Implementation Unit
PMU	Project Management Unit
PPP	Public-Private Partnerships
Pre-AAS	English Language Training for GoL Officials, formerly referred to as 'Pre-ADS'
SIMON	AAS information management database
SoS	Scope of Services
TA	Technical Assistance
TTC	Teacher Training College
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UXO	Unexploded Ordinance
VD	Vientiane Declaration
WPR	Work Plan on Return
WTO	World Trade Organisation

EXECUTIVE SUMMARY

Since the beginning of AusAID's support for scholarships in Laos, around 1000 recipients have successfully gained tertiary qualifications in Australia. Lao Australia Award winners rate among the most successful of all students from countries which participate in the Australia Awards Program and, over the past five years, Lao awardees have demonstrated graduation rates of between 97 and 99 per cent.

The current Lao-Australian Scholarships Program (LASP) accounts for about 22% of the budget for Australia's bilateral program for Laos. The 2011-2012 budget was \$A31.6 million (country program estimate), and is expected to be around \$A34.8 million in 2012-2013.

In recent years, between 40 and 50 graduates (around half each from the Public and Open categories¹) take up an Australia Awards Scholarship (AAS, formerly ADS) program in Australia, in colleges of technical and further education (TAFE), or in undergraduate or postgraduate degree courses at Australian universities. AusAID also currently funds and manages (though a managing contractor) a pre-AAS program which is designed for Government of Laos (GoL) officials, to strengthen their English language skills and to help them prepare to apply for an AAS award.

Laos also receives a number of awards under the prestigious Australia Awards Leadership Program (AALP, formerly ALAS) of the 150 provided annually worldwide; and has been successful in gaining Australia Awards Fellowships (AAF, formerly ALAF), managed from AusAID Canberra. A further, relatively low-cost program – the Laos Australia National Scholarship program (LANS), supports students from educationally disadvantaged districts and/or poorer provinces to access higher education studies in Laos. LANS is currently delivered through the National University of Laos (NUoL).

As in some other country scholarship programs, the Australia Awards program in Laos provides preliminary programs to increase the likelihood of success by students selected to take up an Award in Australia. These include a Foundation Year (FY) program (for undergraduate students), and English language training (six or twelve months), for TAFE and post-graduate applicants whose International English Language Testing System (IELTS) scores are not sufficient to gain them a place in an Australian tertiary institution.

The new Laos-Australia Human Resource Development Program², will be delivered principally through a facility named the "*Laos Australia Institute*", and will build on the success of the LASP scholarship program and seek to meet the existing gap in the development of human capacity in Laos. As such, it will have a far broader HRD approach than at present, and will focus on individual and organisation capacity development through productive partnerships with Government of Laos agencies - using a range of support mechanisms and approaches. The program will also provide assistance to the private sector through "Open" scholarships, and to civil society organisations, through a targeted approach focusing on disability and gender issues.

In expanding its commitment to a multi-platform approach, the Government of Australia is recognising the increasing prioritisation by the Lao Government to build capacity in human resources – at both the individual and organisational level. The Government of Laos has been advocating with the Australian Government (and other donors) over recent years for a coordinated approach to human resource development. The Lao Government's commitment to partnering with Australia in this expanded program is clear, and has been demonstrated in all preliminary and planning activities.³

The new Program as reflected in this design involves a more strategic approach to human resource development in Laos that incorporates existing LASP approaches (in the form of AAS, AALP, AAF, LANS, Pre-AAS, English for Academic Purposes (EAP) and a Foundation Year) into a broader range of integrated human

¹ **Public category** applicants are public sector employees who are nominated by their government for an Australia Award. Public category applicants are required to return to their role in the public service at the completion of their award in order to strengthen public service capacity in their home country for at least two years; **Open category** applicants do not need to be nominated by their government or employer. Anyone who meets the selection criteria may apply under this category. Applicants are required to return to Laos after the completion of their award to contribute to the development of the identified priority sector in Laos.

² For ease of reference throughout this PDD, the program is herein referred to as the "Lao HRD Program",

³ Since early 2012, personnel of Vientiane Post have been consulting with GoL officials and the relevant desk officers in Canberra in planning for the Lao HRD Program design. Planning has included the development of and consultation about a range of planning documents, including: *Human Resource Development for Lao PDR: An Analysis of HRD Support Options for AusAID* (March 2012); and the *Concept Note – Laos Australia Centre for Excellence* (May 2012).

resource development (HRD) approaches, while maximising opportunities for more targeted mechanisms to meet specific strategic and operational needs.

This new program will involve working closely with those Lao ministries⁴ whose mandates relate to the development priorities that Australia and Laos have agreed; with training institutions; and also with non-profit associations working in the areas of gender and disability. The design paves the way for improved award programs that link organisations, people, their courses of study and development outcomes, with training needs analyses, organisational plans, a planned, continuing professional development support program on return from courses and training, and stronger measurements of effectiveness.

It maximises a genuine partnership between Australia and Laos in steering the program; and uses evidence-based decision making to inform management and stakeholders. It will also involve a stronger engagement with program alumni. The Lao HRD Program will operate from a specific-purpose building in Vientiane, and will offer many of its services directly from that facility.

*The **program goal** is to improve the quality of economic and social services provided by priority national and provincial organisations in Laos.*

The goal supports the development of the skills of the Government of Laos as a platform for on-going economic development in Laos as well as its regional and global integration.

Human resource development (HRD) is defined in this goal as developing the competencies and capabilities of individuals in cognitive, technical and relational domains as a basis for institutional strengthening and improving development outcomes. Access by *individuals* to various program components will represent the Australian Government's contribution to improving HRD capacity generally in Laos. This is a continuation of the LASP approach. However, targeting *institutions* with a strategic program of HRD will scale up the potential impact of the program of institutional strengthening, which in turn will contribute to improved management and service delivery, and sustained performance and identifiable outcomes across all sectors.

The program goal is framed by an emphasis on ensuring that women and people with disability have equitable access to the program. While each objective will include gender and disability foci, separate objectives are included to reinforce the importance of this principle.

The following **program objectives** will support the achievement of the facility goal:

- (1) To assist key ministries, training institutions, and partner organisations to demonstrate better management, including the management of human resources;
- (2) To improve the development and application of sound policies and practices by individual beneficiaries of the program;
- (3) To improve participation of women in leadership and management roles;
- (4) To increase the capacity of people with disability, disabled persons' organisations, and organisations involved in disability-inclusive development;
- (5) To increase collaboration and networking amongst participating individuals and organisations; and
- (6) To improve recognition and acknowledgement, by the Government of Laos and participating organisations, of Australia as an active and responsive partner in the human resource development of Laos.

To achieve the objectives listed above, it is proposed that the program comprise three components, with differential levels of access for organisations, depending on whether an organisation is targeted under the program, and when that targeting is scheduled to occur. The three components are:

- Component 1** Human Resource Development Analysis and Planning;
- Component 2** Scholarships and Awards, and Alumni; and
- Component 3** Coordinated Engagement through Targeted Initiatives⁵.

⁴ The Program identifies two "Target Groups" - 1 & 2. The Ministry of Education and Sports (MoES) and the Ministry of Home Affairs (MoHA) (along with two civil society organisations) comprise Target Group 1. Other ministries whose functions align closely with the Pillars of the Australia Laos Development Cooperation Strategy 2009-2015 are included in Target Group 2, as well as the National University of Laos.

⁵ Component 3 "Coordinated Engagement through Targeted Initiatives" involves the identification of *specific HR* needs in individual agencies and organisations, and the subsequent planning, management and delivery of professional technical skills' training and assistance through a range of linked mechanisms/approaches, in a single agency, or across groups of agencies/organisations with similar needs.

Targeting is to be used as a key strategy to ensure that resources available to achieve the objectives can be scaled up sufficiently in selected organisations for this to occur. A key program principle is that of coordinating HRD approaches to ensure an optimal mix, designed to achieve sustainable improvement in human resources and improved service delivery.

In preparing the program design, policy dialogue between representatives of both countries has been based on productive discussions and a genuine desire by the Government of Australia for the Lao Government to understand, and accept the need for the Government to be joint owners and managers of the program. Through the life of the program, sustainability will be encouraged through continuing this approach. Clearly, the Lao HRD program design focusses on the Government sector – particularly in relation to Components 1 and 3. The design emphasis on the Government sector has been a conscious strategy – as it is in this sector that it is believed most meaningful and sustainable change can be achieved.

As an initial indication of its increased commitment and in-kind support, the Lao Government has offered the use of a particularly apposite and readily-identifiable building, within close proximity of all key ministries, and government offices⁶. This facility, once refurbished, will offer a “shop-front” for the suite of program activities. The facility will require only limited refurbishment to bring it to fully operational status, and is already being used as an in-service centre for Government of Laos personnel and others. It also already has an extensive English as a Second Language (ESL) library and resource centre; and has a long-standing relationship with Australia through previous AusAID programs.

During the in-country design mission and subsequently, AusAID has undertaken extensive discussions with MoES to confirm the availability of the building as a base for the Lao HRD Program. The Government of Laos remains particularly supportive of using the building for this purpose, and, following design document approval, AusAID will prepare a *Memorandum of Understanding (MoU)* relating to Lao Government contributions to the Program, including specific terms and conditions relating to the use of the building. Further in-kind support will be negotiated with the Government of Laos following design document approval to provide the following: (a) provision of travel allowances for its personnel attending Lao HRD Program training sessions; and (b) ongoing provision of salaries for its employees undertaking long-term study (for the in-country pre-departure programs, at minimum).

The budget for the Lao HRD Program is expected to total some \$A20 million over four years. It will involve, however the joint management, with Canberra, of a further \$A20 million allocated to direct, in-Australia scholarships’ costs. This \$A40 million, four-year investment will provide an appropriate and sustainable foundation for building the capacity and skills of Lao people, and will form the human resource foundation for Government of Australia programs and activities in Laos in the areas of basic education, trade and investment, rural development and natural resource management totalling a further \$A250 million, over the four year planning period. This program represents the first phase of a two-phase eight-year program of support to the development of human resources in Laos. The second phase four-year program is planned for 2018-2021.

In considering the level of proposed program funding, it should be noted that, although the program is not overly complex, it does have some significant challenges, of which only some are apparent at the design stage. As the program evolves over its first two years, there will be greater understanding of where Government of Australia funds are most beneficially invested, and to which sectors and agencies resources should be directed. For this reason, it is important that the request for tender (RFT) and subsequent procurement processes result in not only value for money, but also in the contracting of a Facility Managing Contractor who has ensured that sufficient funds have been allocated to manage and implement all program aspects – successfully and sustainably.

In the broader context, the Lao HRD Program is modest in its allocated budget, and thus in its capacity to engage widely in a country which has significant national and sub-national HRD needs. AusAID, other Australian Government agencies, the Lao Government and other donors need to remain aware that it is for this reason that the design has chosen to support targeted agencies and organisations progressively; any attempts to operate across too extensive a “front” can only result in limited (and unsustainable) impact.

⁶ Refer Section 10.2 for further information

As noted above, it is intended that this four-year program form part of an eight-year investment in Lao HRD, with a second phase proposed following the successful implementation of the current 2013-2017 program. This follow-on program, if agreed, could provide the opportunity to implement a broader approach and seek to build skills across a wider range of national and sub-national agencies.

1. ANALYSIS AND STRATEGIC CONTEXT

1.1 Country and sector context

The Lao People's Democratic Republic was established in December 1975. In the two decades following proclamation of the Republic, internal conflict resulted in significant political and social turmoil, widespread poverty, and extensive immigration. However, since the early 1990s, Laos has demonstrated sustained economic growth, resulting mainly from greater use of the nation's natural resources and increased economic integration within the region.

Nevertheless, despite the steady economic growth and social gains achieved since the 1990s, Laos remains the second poorest country in the Mekong region. Poverty in Laos is increasingly defined by geography and ethnicity - with numerous development indicators suggesting large inequalities between the interior in the north and centre-south (less developed and poorer), and areas that border the Mekong River and plains in the centre-west (developed and less poor).⁷

According to the United Nations (UN) Human Development Report 2011, Laos ranks 138 out of 187 countries on the Human Development Index (HDI), although rating above its neighbours Cambodia, Myanmar and Timor Leste.⁸ An estimated 26.9% of the population continues to live under the \$US1 per day "poverty line" and a considerable proportion of the population lives slightly above that standard.⁹

In recent years, Laos has experienced an economic boom fuelled by an accelerating demand for natural resources, transition to a market economy and increased engagement in regional markets. Despite this growth, Laos is one of the poorest countries in the world. The country faces a number of pressing challenges to the improvement of people's life prospects. These include:

- (a) improving job-rich growth, as rapid economic growth has failed to generate sufficient rates of equivalent employment growth;
- (b) a more equitable distribution of wealth, particularly narrowing the income gap between urban and rural areas;
- (c) widening the productive base, through diversification and investments in human capital; and
- (d) improving education and skills in line with labour market needs.¹⁰

Education and training systems in Laos are struggling to meet the demands generated through the transition from a command to a market economy. These systems are under increasing pressure to generate the human resources needed to sustain growth and support new enterprise. A lack of adequate human resources continues to be one of the biggest challenges currently hampering the successful development of Laos, and it has been highlighted in the UN Human Development Report as the number one obstacle dragging on the economic and social development (and poverty reduction) of the country.¹¹

1.1.1 Lao political context

Laos is a single-party state, with the only registered and legal political party being the Lao People's Revolutionary Party (LPRP). Lao Government policies are decided by the LPRP, through the Politburo and the Party's Central Committee. Laos adopted its first Constitution in August 1991, amending it in May 2003. The National Assembly¹² approves all new laws, although the executive branch has the authority to issue binding decrees. The most recent elections took place in April 2011, at which time the National Assembly was expanded to 132 members. Laos has enacted a number of new laws in recent years, but the country is still governed largely through the issuance of decrees.

⁷ Fourth National Human Development Report (2009)

⁸ UN Global Human Development Report (2011)

⁹ Australia Laos Development Cooperation Strategy, 2009-2015

¹⁰ ILO, Decent Work Country Programme: Lao PDR (2011-2015), p.4

¹¹ Fourth National Human Development Report: Employment and Livelihoods, Lao PDR 2009

¹² Refer Lao Constitution, 2003, Article 52: "The National Assembly is the representative of the rights, powers and interests of the multi-ethnic people. The National Assembly is also the legislative branch that has the right to make decisions on fundamental issues of the country, [and] to oversee the activities of the executive organs, the people's courts and the Office of the Public Prosecutor."

The LPDR National Assembly is the peak state administrative structure / organisation, representing 17 provincial constituencies. Members are elected for five years by all eligible voters. The National Assembly meets in full-session for about one month, twice per year.

1.1.2 Lao economic context

In the mid-1980s, Laos began decentralising and softening its previous insular approach to global development and, from the late 1980s started to encourage private enterprise and investment. In the two decades from 1998 to 2008, growth averaged around 6% per year, apart from the period aligning with the late-1990s' Asian financial crisis. Nevertheless, while allowing for the high rate of construction and accompanying infrastructure in the capital Vientiane, the country's rural areas have not seen a similar level of development, and Laos still has a highly underdeveloped infrastructure, particularly in the remoter provinces.

More than three-quarters of the population work in subsistence farming – and this contributes 30% to the nation's gross domestic product (GDP). Foreign investment is focused on mining, construction and hydro-electricity projects. Much of this foreign investment comes from its neighbours, China and Vietnam. Because of this and related factors, Laos has achieved higher real GDP growth than any other landlocked, *Least Developed Country (LDC)* in the Asia-Pacific region.¹³

Economic and trade reforms will be necessary if Laos is to achieve its goal of graduating from least developed country status by 2020. Banking sector structural reform and creating enabling business environment will be needed to support private sector growth. Nevertheless, broadening the country's economic base, by encouraging and allowing for private sector growth in the non-resources sector, is still a challenge requiring attention.¹⁴

In 1997, Laos applied to join the World Trade Organization (WTO). The first meeting of the WTO Working Party on the Accession of Laos was held in October 2004, involving an analysis of its foreign trade regime. Assessments of its ability to comply with, and progress towards, WTO obligations are still continuing. It is expected, however, that Laos will join the WTO later in 2012. According to a WTO report of 12 July 2012, Laos has "completed all its bilateral negotiations and is close to completing its multilateral membership package".¹⁵

1.1.3 Current AusAID Australia Awards Program in Laos

(a) Summary:

- The current Australia Awards Program accounts for approximately one-quarter of Australia's bilateral aid program for Laos, which is expected to reach \$34.8 million in 2012-2013.¹⁶
- In recent years, between 40 and 50 graduates (around half each from the Public and Open categories) take up an AAS program in Australia, in colleges of Technical and Further Education (TAFEs) or in undergraduate or postgraduate degrees at Australian universities.
- AusAID also funds and manages – through a managing contractor – a six-month pre-AAS program which is designed for Lao Government officials, to strengthen their English language skills and to help them prepare to apply for an AAS award.
- Laos receives a small number of the 150 Australian Leadership Awards provided annually across the aid program; and has been successful in gaining a number of Australia Awards Fellowships (AAF), managed from AusAID Canberra
- A further, relatively low-cost program – the Laos Australia National Scholarship program (LANS), supports students from educationally disadvantaged districts and/or poorer provinces to access higher education studies in Laos, currently through the National University of Laos (NUoL).
- As in some other country scholarship programs, the AusAID Australia Awards program in Laos also provides preliminary programs to increase the likelihood of success by students selected to take up an Award in Australia. These include a Foundation Year program (for undergraduate students),

¹³ *Accelerating Progress Towards the MDGs; Innovative options for reaching the unreached* (2010), GoL and UNDP, p. 27

¹⁴ Department of Foreign Affairs and Trade (DFAT), Australia

¹⁵ Refer: http://www.wto.org/english/news_e/news12_e/acc_lao_13jul12_e.htm (accessed 20 August 2012)

¹⁶ Total Australian aid to Laos through the previous country strategy period –2003-04 to 2007-08—was around \$108 million. Refer www.ausaid.gov.au (accessed 27 May 2012)

and English language training (six or twelve months) for TAFE and post-graduate applicants whose IELTS scores are not sufficient to gain them a place in an Australian tertiary institution.

The goal of the (current) Lao-Australian Scholarships Program (LASP) is *to promote effective Human Resource Development and foster future leaders in order to enhance sustainable development and poverty reduction in Lao PDR*. To contribute to the achievement of this goal, the LASP purpose has been stated as: *to improve human resource capacity in the Lao PDR consistent with the sectoral, regional, trans-boundary and emerging priorities of the Laos-Australia Development Cooperation Strategy 2009-2015 and the broader bilateral relationship*. With the exception of the AAF, the in-country management of the LASP is currently the responsibility of a Managing Contractor.

The figure below illustrates AAS by sector and tertiary level, between 2003 and 2011 (year of application).

Figure 2: AAS allocation by year, level and sector

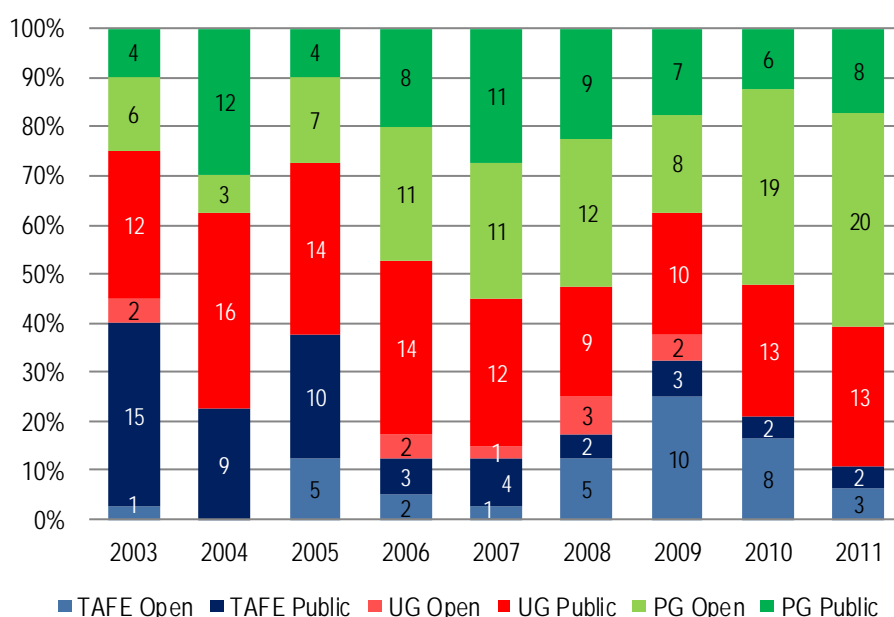
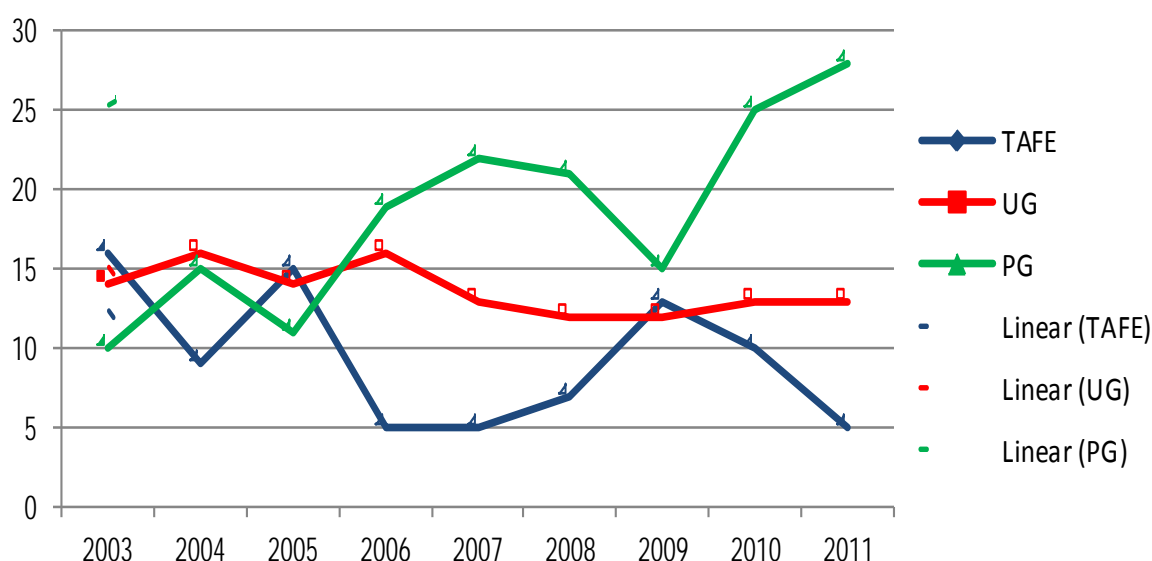


Figure 3 (over) indicates the increase in postgraduate scholarships awarded during the past eight years to 2011, and uses trend lines (broken lines) to demonstrate the rapidity of the trend towards higher-level qualifications.

¹⁷ Additional scholarships were awarded in 2010 and 2011; these are included in both figures.

Figure 3: AAS allocation by year, with trends



(b) LASP 2009-2012 achievements

The purpose of LASP over its current four-year program (2009-2012) has been achieved through the delivery of five scholarship programs, which have increased human resource capacity in Laos, (although not necessarily in a coordinated manner, or grounded in thorough needs analyses, apart from the learnings gained from the early-2012 HRD Analysis and the more recent *Independent Completion Review* of LASP). Through LASP, Australia Awards Scholarships (AAS) and Australia Awards Leadership Program scholarships (AALP), have supported 190 Lao citizens to complete their studies in Australia since 2009.

These awardees completed fields of study that will enable them to contribute the skills and knowledge acquired during their studies to the three strategic pillars of the Australia Laos Development Cooperation Strategy 2009-2015 (DCS) (*education; inclusive growth through trade and investment; and rural development*), or to support the Mekong Water Resource Management Program, and other cross-cutting initiatives.

The program has also enhanced leadership skills in Laos through specific training under the AALP, and from individual's participation the Australia Awards Fellowships (AAF), which have provided 68 specialist short-term study placements in Australia, in areas of development priority. As an additional benefit, the relationships developed whilst the AAS, AALP and AAF awardees are in Australia have resulted in on-going linkages between them, with other awardees within the region, and with individuals and organisations in Australia.

The *Laos Australia National Scholarship (LANS) program* commenced in 2011. In its first intake, 70 disadvantaged students are receiving tuition fees, living allowances, English language training and pastoral care support - to undertake undergraduate studies at the National University of Laos (NUoL).

To increase the size of the Lao Government public sector pool able to meet the English language competency criteria for AAS/AALP, 84 public servants have been provided with six months of English language training through the *Pre-AAS program*. As a result of this training, the participants have been able to apply increased language competency in the workplace. In addition, the majority of participants have reached sufficient English language competency to be eligible for AusAID (or other donor-funded) overseas tertiary scholarships.

1.1.4 Government of Laos policy framework

The Lao Government *National Growth and Poverty Eradication Strategy (NGPES)*, adopted in November 2004; and the *Seventh National Socio-Economic Development Plan (NSED) 2011 – 2015* are the two most significant policy documents guiding development priorities in Laos.

The *Seventh NSED* emphasises the development of human resource capacity as supporting its overall strategic development approach to sustained economic growth and reduced poverty. The plan specifically targets the development of human resources through upgrading and expanding higher educational opportunities, and organising regular training for Government of Laos staff at central and local levels. The *NSED* also recognises the current outstanding labour market imbalance.¹⁸

The objectives of the *NGPES* include tripling *per capita* income by 2020 and reducing the household poverty ratio to below 11 per cent during the term of the seventh plan. The *NSED* complements the *NGPES* through four main pillars: human-development driven growth; competitiveness, trade and regional integration; social development and focused poverty reduction intervention; and good governance.

In March 2011, the Ninth National Congress of the Lao People's Revolutionary Party adopted a four-point "breakthrough" approach to pursuing new and innovative principles - with the aim of graduating from the status of *Least Developed Country* by 2020. These points include a *breakthrough* on human resource development, particularly in upgrading the knowledge and competence of government officials to meet growing development requirements; and a *breakthrough* in improving management and governance regulations and systems to address obstacles hindering business/service delivery.

Although the Government of Laos has clearly placed an emphasis on improved HRD, and prioritised the creation of a national *Human Resource Development Framework*, overall HRD planning in Laos is underdeveloped, with individual ministries at many different levels/ stages of HRD planning. To compound this issue, there are currently a large number of donors engaged in multiple-sector HRD activities with stand-alone projects creating difficulties with coordination and responsiveness. Parallel delivery systems, insufficient joint analysis and programming, and inadequate performance assessment are a few of the issues currently hampering a coordinated approach to HRD in Laos.

A renewed Human Resource Development Strategy is therefore one of the key requirements to take Lao PDR forward to its goals of poverty reduction by 2015 and to leave LDC status behind in 2020. The common understanding that has emerged is that achievement of these objectives is rooted in the country's ability to raise the levels of its people to meet the needs of the economy, to fulfil their own individual potentials and to assist them to meaningfully engage with and contribute to the broader expectations and demands of society.

1.1.5 Government of Australia policy framework

Australia has supported development activities in and for Laos for approximately 50 years, and continues to increase its support. The Australia Laos Development Cooperation Strategy 2009-2015 provides the strategic framework for working with the Government of Laos, NGOs/CSOs and other donors. A basic operating principle guiding Australia's involvement with Laos is that, through effective policy dialogue, it aligns its support with the Government of Laos' own development goals, in areas in which Australia has expertise.

As noted previously (in 1.1.3(b)), the Australia Laos Development Cooperation Strategy 2009-2015 identifies three "Pillars" for support by Australia: *Education, Inclusive growth through trade and investment; and Rural development*. Those Pillars, and the additional regional initiative – *the Mekong Water Resources Program* – represent a significant investment by the Government of Australia of almost \$A250 million (over the period).

¹⁸ It has been estimated that, by 2015, the anticipated demand for workers will far outweigh the workforce supply across the country.

It is essential that the work being undertaken to achieve the goals of each of the Pillars is supported by skilled and committed human resources within the Lao government and non-government sectors. The *Laos-Australia Human Resources Development Program* will underpin the development of those necessary human resources – to assist in ensuring sustainability of programs and activities within each of the Pillars.

Figure 4: Australia Laos Development Cooperation Strategy objectives, by Pillar

Development Cooperation Strategy 2009-2015			
Education	Inclusive growth through trade & development	Rural development	Regional program
<i>Promoting opportunities for all</i>	<i>Effective governance</i>	<i>Sustainable economic development and humanitarian</i>	<i>Mekong Water Resources Program</i>
\$103,550,000	\$8,150,000	\$78,200,000	\$50,000,000
↑	↑	↑	↑
Underpinned by Laos-Australia Human Resource Development Program			

To ensure effective and sustainable outcomes in existing and planned programs operating within the three country program Pillars, a substantial investment in skilling people and increasing organisational capacity is essential. Skilled managers, technicians, and a cadre of efficient administrators are essential as the Government of Laos seeks to increase the rate of its decentralisation agenda, its growing productive relationships with the private sector, and its engagement with the region and internationally.

Through a commitment at high levels to effective human resource development (HRD) programs, (as an outcome of thorough organisational and sector training needs analyses), the following broader benefits and outcomes can emerge:

- Clearer understanding of organisational missions, goals and roles;
- Better definition of unit / individual work responsibilities;
- Systematic planning processes that are cost effective and transparent;
- Increased capacity to meet client expectations;
- Clear staff pathways to promotion and higher salary levels;
- Improved individual worker motivation to succeed and progress;
- Increased participation of women and people with disability;
- A balance between work responsibilities and remuneration;
- Clearer understanding of corporate and team responsibilities;
- Increased performance and personnel work satisfaction;
- Cost savings through greater efficiency; and
- An increased ability to manage, and to accept, change in the workplace.

1.1.6 Education in Laos

▪ Overview

The Lao education system comprises pre-school education (crèche and kindergarten), primary education (five years), lower secondary education (three years) and upper secondary education (three years). Although most students attend government schools, some enrol in private schools and colleges, which have operated since 1990. Technical and vocational education and training (TVET) is an option for Lao students after they complete either Grade 8 or 11.

It has been estimated that only 60% of Lao children who start Grade 1 complete all five years of primary schooling; and while this percentage may be higher in urban areas, it indicates significant under-attendance in rural areas and villages.

Instruction in most schools is in Lao, so children from ethnic groups who speak only their mother

tongue are disadvantaged, especially in their early schooling years (even if they can or do attend). The quality of teaching in many schools is poor (teachers' salaries are very low at \$US570-\$US650 / year (UNESCO 2006 data), and this leads to increasing drop-out rates in both primary and secondary schooling. To survive on their low salaries, teachers often have to spend part of each day or week farming, with the result that school hours are often curtailed.

Around one in seven Lao children (nationally) does not attend any school, and in some poor and educationally disadvantaged districts, more than one-third of the local children do not attend at all. The 2005 Lao census data¹⁹ showed that: "of the 10,522 village in Laos, 2,092 (20%) had no primary school at all while only 3,757 (36%) had 'complete' schools".²⁰

■ *Lao higher education sector*

In the late 1970s, the then Sisavangvong University (the only Lao university at the time) was dissolved and its roles devolved to individual colleges. Graduates from Lao upper secondary schools often undertook tertiary studies in East European countries and the USSR in the 1980s, but by 1990 this was not an option. In 1996, the National University of Laos (NUoL) was established, by combining several institutions; it now comprises 11 faculties.

With increasing opportunities for higher education studies, enrolments at Lao universities are expanding. For example, during the period between 1999 and 2010, the Lao Gross Tertiary Enrolment Ratio increased more than eight-fold.²¹

A current World Bank/ADB project – Strengthening Higher Education Project for Laos (SHEPLA) – aims to expand and improve the higher education system and institutions by upgrading the nation's public universities: the National University of Laos (NUoL) in Vientiane; Champasak University (CU) in Pakse; the University of Health Sciences (within the Ministry of Health); and Souphanouvong University (SU) in Luang Prabang.

The SHEPLA project has identified four key outputs: (a) strengthened management, financing, and governance of the higher education system; (b) enhanced relevance and capacity for quality improvement; (c) increased equity and access in higher education; and (d) effective project management and implementation.²²

Higher diplomas in Laos' tertiary institutions usually take three years to complete; Bachelor Degrees take between three and seven years; Master's, one to two years; and PhDs involve a minimum of three years further study. Public and private institutions have been proliferating rapidly as the country education sector attempts to meet the increasing demand for skilled graduates. However, quality has become a major challenge for the development of higher education in the country.

In 2008, approximately 5.3% of the Lao tertiary education age cohort was enrolled at a higher education institution. Student enrolment at the country's public universities totalled 45,677, the largest number being at the National University of Laos (NUoL), which accounted for about 80% of enrolments. Students at private institutions increased from 4,000 in 2000, to almost 20,000 in 2007. Nevertheless, in 2007, only 57% of upper secondary school graduates were able to gain a place in either a public or private institution.²³

Although there is a corresponding recent rapid increase in the number of TVET institutions and enrolments in Laos, and a corresponding broader range of curricula available for study, the courses offered are not necessarily aligned with labour market needs, or with long-term skill-base requirements of the nation in the future.

Gender inequity in tertiary-level enrolments is slowly decreasing, although the tertiary education

¹⁹ Reported in "Laos Education Programs", Save the Children report (2010); <http://www.savethechildren.org.au/where-we-work/lao-pdr/education-programs>

²⁰ Many primary schools are 'incomplete schools' meaning they offer less than three grades, which significantly limits access to full primary education, especially in rural and remote areas.

²¹ UNESCO UIS (searchable database), accessed May 2012

²² Data summarised from SHEPLA website at <http://shepla.org/>, (2012)

²³ ADB, LPDR: Strengthening Higher Education Project, September 2009, p. 3

sector still faces significant challenges in ensuring equitable access for women, ethnic groups and people with disability. A further challenge relates to the low salaries paid to lecturers in higher education institutions. Academics are often under-qualified, because the low salaries do not attract quality personnel, and those that are skilled and committed often find work in different sectors, or supplement their incomes by after-hours tutoring or teaching.

1.1.7 Australian Government support for Lao education sector

Through the Education for All – Fast Track Initiative (EFA-FTI), Australia is helping to improve access to quality basic education across Laos. Australia is contributing \$A21 million between 2010 and 2013 for school construction, in-service teacher training, training school principals and making education more accessible through mobile teachers.

The (overall) \$US65.5 million program²⁴ is being implemented in pre-primary and primary schools in 56 of the country's most educationally disadvantaged districts, and is the largest basic education program ever to be implemented through Lao government systems.

Other recent bilateral education activities supported by AusAID have included:

- The Delivering Better Education in Laos Initiative (2007-2011), (with the World Bank, Asian Development Bank, European Commission, JICA and UN agencies);
- The Education for All Fast Track Initiative (EFA-FTI) Catalytic Funding Program (2010-2011) (with World Bank, UNICEF, World Food Programme, UNESCO);
- Access to Basic Education (ABEL) Program (2005-2010), with UNICEF/World Food Programme;
- Interpreter and Translator Training (2005-2010), with Australian Universities.

1.1.8 Gender and development in Laos

Gender equality and the empowerment of women are important goals for overcoming poverty, and are central to achieving all the Millennium Development Goals (MDGs).²⁵ Promoting gender equality and encouraging participation of women, particularly those in disadvantaged and ethnic communities, is essential to the country to achieve the national goal of reducing poverty and graduating from *Least Developed Country* status by 2020.

The Government of Laos has made some progress in promoting gender equality, and has articulated its policy commitment through the *2010 National Policy on Inclusive Education*, the *National Socio-Economic Development Plan (NSED)* and the *National Growth and Poverty Eradication Strategy*.

The Lao Government's support for the promotion of gender equality has also been reflected in the national framework, consisting of the National Constitution, several laws and policies, various international conventions, and institutions such as the Lao Women's Union (LWU) (a mass organisation whose main responsibility is to protect women and children's rights and interests), and the Lao National Commission for the Advancement of Women (LaoNCAW), the semi-government body responsible for formulating policy guidance and action plans to promote gender equality at all levels.²⁶

The establishment of LaoNCAW (in 2003), as part of the Government's commitment to the ratification of the international conventions, has enabled the Government to progress in mainstreaming gender across sectors. The LaoNCAW has also acted as the broader entity to monitor the implementation of international conventions and other government commitments, in order to attain gender equality and promote the status of women.²⁷

In November 2010, the Government, the Lao Association of Parliamentarians on Population and Development (LAPPD) and the Lao Women Parliamentarians Caucus, with the support of the United Nations in Lao, organised the first National Parliamentarians Conference on Gender Based Violence

²⁴ The Education for All–Fast Track Initiative is a global partnership of developing and donor countries, multilateral agencies, non-government organisations and the private sector, dedicated to ensuring quality basic education for all children. This partnership provides financial assistance to countries where governments and donors have jointly developed credible education sector plans.

²⁵ MDGs Report 2010

²⁶ Lao PDR Gender Profile (2005)

²⁷ Strengthening National Mechanisms for Gender Equality and the Empowerment of Women: Regional Study – Asia and the Pacific (2010)

(GBV) in Vientiane. The conference determined that people from all levels in Laos must “recognise that women have rights, that they are entitled to respect and equal treatment under the law, and that they are entitled to access to services also”.

Nevertheless, a relatively recent (2005) GDG study involving interviews with almost 1,000 villagers from 35 communities, in five Lao provinces found that, of those women surveyed who had been subject to violence, up to 35% indicated that they had experienced mental violence, and up to 17% had experienced physical violence. The data analysis also showed that less-educated women were more likely to experience violence than women who have some or higher education, a trend apparent in other countries in the region. This may indicate that educated women have more experience and contacts outside their home and village, and “are more likely to be vocal, outspoken and less demure/subdued with their husband”²⁸.

Despite the Lao Government’s effort and the current enabling environment for gender equality in Laos, gender inequality persists throughout many areas of Lao society. In education, progress towards reducing gender disparity is still slow. Although the number of girls per 100 boys enrolled in primary education increased from 77 in 1991 to 86 in 2006, there are still fewer girls than boys enrolled at all education levels, particularly at tertiary level, and in rural areas where the gap is still wide.²⁹ Women’s literacy rate (63%) is still significantly lower than that of men’s (83%); the main factors contributing to this are the prevalence of poverty and restricting traditional beliefs.³⁰

Low education levels limit women’s economic opportunities and their prospects of obtaining non-agricultural wage employment; subsequently, women tend to be restricted to low-wage agriculture-related employment and small-scale enterprises. Women’s share in wage employment has increased slightly from 38% to 44% over a ten-year period (1995–2005). However, due to a lack of access to higher education opportunities, many women continue to occupy lower-skilled jobs.³¹ The lack of education also limits women’s ability in dealing with legal procedures or gaining access to justice.³²

The 2009 report of the committee of the *Convention for Elimination of all forms of Discrimination Against Women (CEDAW)* noted a concern related to the lack of coordination amongst the various organisations, and insufficient budget in order to carry out the implementation of the obligation to the convention.³³

In addition, major challenges were noted in relation to the lack of capacity at many levels in order to ensure the Government’s commitments are carried forward into action.³⁴ It is clear that continuing policy dialogue between AusAID and the Lao Government will be necessary to optimise program HRD opportunities for agencies and organisations, to allow them to be better equipped to perform their roles and responsibilities in this regard, collaboratively.

In the political sphere, significant progress has been made in the National Assembly, where the number of female representatives has increased from 6% in 1990, to 25% in 2006. Unfortunately however, women’s representation at the sub-national level remains very low.³⁵ Data in Figure 5 below confirm the significant disparities in representation of men and women in senior Lao Government positions (2007 data), and endorse the importance of including a specific gender objective in the program.

²⁸ CUSO International, Rural Domestic Violence and Gender Research (2005), p. 2

²⁹ MDG3, UNDP Lao PDR

³⁰ Fact Sheet - Gender equality in Lao PDR, UNFPA

³¹ MDG Progress Report (2008)

³² Lao PDR Gender Profile (2005)

³³ CEDAW concluding observation, State report (2009)

³⁴ Making the MDGs work better for women (2009)

³⁵ Fact Sheet - Gender equality in Lao PDR, UNFPA

Figure 5: Relative representation of men and women in senior GoL positions

Positions	Total	# Females	# Males	% Females	% Males
Minister and equivalent	37	3	34	8.10	91.90
Vice-minister and equivalent	67	3	64	4.48	95.52
Director of Department and equivalent	416	37	379	8.90	91.10
Governor of prov., capital and special zone	18	0	18	0	100
Vice-governor of prov., capital and sp. zone	32	0	32	0	100
Head of provincial cabinet	18	1	17	5.56	94.44
Vice-head of provincial cabinet	55	0	55	0	100
Chief of district	141	3	138	2.13	97.87
Deputy chief of district	181	2	179	1.10	98.90
Head of district cabinet	141	0	141	0	100
Vice-head of district cabinet	213	2	211	0.94	99.06
Chief of village	10,944	145	10,799	1.32	98.68
Total³⁶	12,269	196	12,067	1.60	98.40

1.1.9 Disability and development in Laos

Based on global estimates, there are likely to be many hundreds of thousands of Lao people with disability. This includes people who have long-term physical, mental, intellectual or sensory impairments who, due to social, environmental and attitudinal barriers, are not able to participate in society on an equal basis with others; (this is the understanding of disability within the *Convention on the Rights of Persons with Disabilities*).

The last National Census (2005) identified 80,000 people with disability in Laos. However, WHO estimates that 10% of the population (of 6.5 million, thus 650,000) is disabled. “This figure is increasing due to ongoing UXO accidents, poverty, limited access to healthcare and population growth.”³⁷

Good-quality quantitative and qualitative information on people with disability in Laos is scarce. Disability is often seen as shameful (resulting from karma and reincarnation); this means that people with disability are often “invisible” within communities. There is no robust information on the numbers of children with disability both in and out of school, although it is suggested that just 4% of school-aged children with disability receive educational services.

Positively however, the Government of Laos has signed and ratified the Convention on the Rights of Persons with Disabilities (CRPD). The peak body representing people with disability, the Laos Disabled People’s Association (LDPA) also has a relatively well-established sub-national membership structure. There is also a generally good understanding of appropriate models of disability-inclusive education by key stakeholders.

There are however, many challenges facing disability-inclusive development in Laos. In addition to the lack of quality information, disability-specific stakeholders face significant challenges in implementing activities due to insufficient capacity and financial support. There are also fewer major multilateral and bilateral development partners in Laos compared with other countries in the region. Those development partners with a presence do not appear to be engaged in disability-inclusive development (leaving a substantial gap in policy dialogue and financial support).

1.1.10 Donor environment in Laos

Donor support to Laos in 2009-2010 was \$US586 million³⁸; in 2010-2011, this increased to \$US630 million, and is targeted at around \$US700 million in 2011-2012³⁹. In 2011-12, Australian government

³⁶ Source: Lao PDR National Strategy for the Advancement of Women, 2006 – 2010, Vientiane, January 2006, pp. 22-23, as quoted in UNDP Assessment of Development Results, Lao PDR (2007)

³⁷ Lao Disabled People’s Association (LDPA), Factsheet #4, February 2012

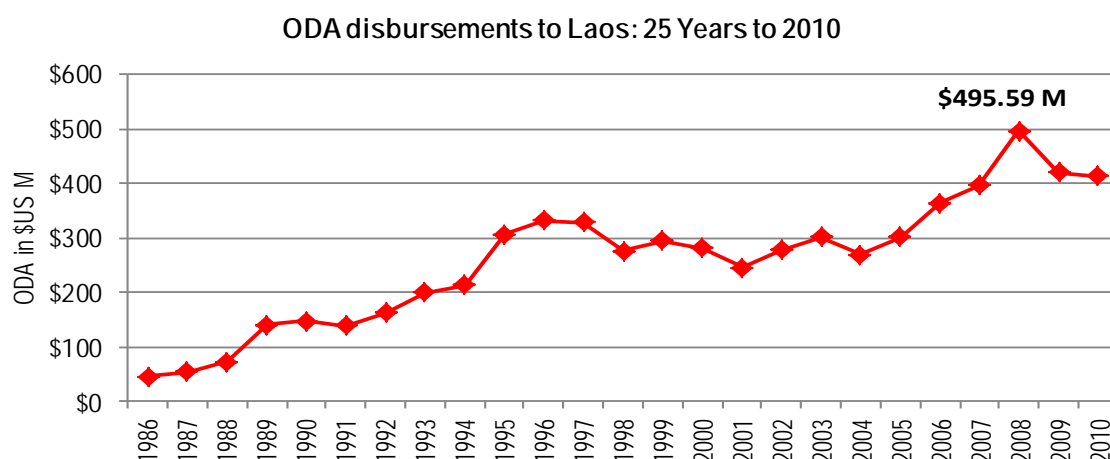
³⁸ Laos Economy Profile 2012, Index Mundi, available at http://www.indexmundi.com/laos/economy_profile.html

³⁹ Source: <http://laovoices.com/>, 27 May 2012

overseas development assistance (ODA) to Laos is an estimated \$A42.1 million, of which \$A32.1 million is managed through the Laos country program which, as noted earlier, “focuses on the identified Australian development Pillars of education, inclusive growth through trade and investment reform, and rural development”.

In 2012-2013, Australia will provide an estimated \$54.9 million in total ODA, representing a 30% increase over the 2011-12 ODA budget estimate of \$42.1 million⁴⁰; as such, Australia is the fourth largest bilateral aid donors to Laos.⁴¹ Nevertheless, Japan is currently the main bilateral donor, providing an average of \$US100 million annually, almost 50% of total bilateral assistance, mostly in grants to finance energy and transport infrastructure. “China is also involved in similar major infrastructure projects, including some related to the education sector, accounting for some 15% of total ODA.”⁴²

Figure 6: Total net ODA – all sources 1986 - 2010⁴³



In response to recently identified priorities⁴⁴ by the Lao Government, many development partners are currently further increasing their engagement in HRD capacity building in Laos. With so many interested and committed international partners, effective donor harmonisation is crucial.

The largest bilateral providers of scholarships to Laos (2011 numbers)⁴⁵ include Vietnam (894), China (294), India (210), Thailand (175), Australia (51), Japan (42), and Korea (28).⁴⁶ The Asian Development Bank is involved in strengthening higher education and supporting the development of faculty at the National University; UNESCO and GIZ are supporting the domestic technical and vocational education and training (TVET) sector and institutions; and many agencies, such as UNDP, the Japanese Government, World Bank, and European Union (EU) are providing support for broader HRD initiatives to build capacity in specific sectors.

⁴⁰ Refer: <http://www.usaid.gov/countries/eastasia/laos/Pages/home.aspx>

⁴¹ <http://www.oecd.org/dataoecd/62/60/1878247.gif>, which currently only provides ODA estimates from 2010.

⁴² McCarty, A & Julian A, Thematic study: the developmental effectiveness of untied aid, Mekong Economics, 2009, p.6

⁴³ Source: OECD Statistics: Searchable database (2012)

⁴⁴ Human Resource Development has been specifically cited in the 7th NSDEP and the National Congress Breakthrough Strategy

⁴⁵ While data on overall numbers of scholarships by other donors is available, specific data concerning the disciplines supported, types and levels of scholarship support, and operational arrangements are not available. This suggests a lack of donor coordination in relation to scholarship coordination – a challenge which the Lao HRD Program can assist in addressing. .

⁴⁶ Numbers of donor scholarships provided by Department of Student Affairs in the Ministry of Education and Sports (MoES)

2. DESIGN BACKGROUND

2.1 Design context and methodology

2.1.1 Design context

The broader focus of the **Laos-Australia Human Resource Development Program**, through an emphasis on individual and organisation capacity development, will extend well beyond the existing program of assistance through scholarships. This current assistance comprises, predominantly, support through standard (yet highly-valued) opportunities for both long- and short-term studies offered through Australia Awards (scholarships).

While acknowledging the successes of the Laos-Australia Scholarships Program over recent years, and the financial commitment of Australia to the program (accounting for approximately one-quarter of Australia's bilateral aid to Laos), it has become apparent recently that a more integrated, comprehensive and coordinated program could deliver even greater benefits to Lao individuals and organisations. A further enabling factor is the emerging high level of desire and readiness of the Government of Laos to partner with Australia in developing its human resources.

During initial planning stages and the development of the Program Concept Note, it became clear that the planned human resource development program should provide:

- a coordinated approach to managing existing functions of Australia Awards in Laos;
- a cohesive package of flexible HRD options to target key partner HRD needs more strategically;
- services aligned with the Australia Laos Development Cooperation Strategy 2009-2015, herein referred to as DCS, or "the country strategy";
- opportunities for AusAID Vientiane to respond rapidly and flexibly to internal and external requests for assistance, including those that might arise from the provision of additional funds; and
- an identifiable physical location from which the program is managed (and at which many components of the program can be delivered).

In order for this investment in HRD to have a sustained impact, it will be necessary for AusAID to have a long-term engagement in the sector - for at least eight years. This program represents the first phase of a two-phase, eight-year program of support to the development of human resources in Laos. The second phase four-year program is planned for 2018-2021.

2.1.2 Enabling environment

There is currently a strong enabling environment in both Australia and Laos which will support the proposed introduction of the Laos HRD Program. These empowering factors include:

- (a) A strong commitment by AusAID exists at the country, regional and Australian national level to optimise HRD activities that can be associated logically with the delivery of scholarships and short-term training.
- (b) This interest is supported financially by a commitment to fund any such facility appropriately, with a focus on ensuring flexibility of operation.
- (c) The Government of Laos (GoL) is aware of its limitations in delivering a comprehensive human resource development analysis and subsequent human resource development program, and is highly appreciative of AusAID's planned support for this sector.
- (d) Laos is currently undergoing a period of relatively strong economic growth, which has encouraged the government and non-government sectors to plan strategically for the future.
- (e) Some Lao civil society organisations (CSOs) and semi-governmental organisations⁴⁷ have already had experience working with AusAID in Laos; these existing relationships will assist in ensuring comprehensive inclusion of gender and disability issues in program implementation.
- (f) The Australian Awards program (overall) has become less structured as responsibilities are devolved to countries and regions; therefore, although there are specific non-negotiables such as number of scholarships available to each country and general scholarship conditions and

⁴⁷ Throughout the program Design Document, the term Community Services Organisation (CSO) is intended to include Not for Profit (NFP) Organisations and Non-Government Organisations (NGO)

stipends payable, there is also sufficient flexibility to allow the introduction of innovative approaches to human resource development – in Laos, and elsewhere.

2.1.3 Identified challenges

While acknowledging the current supportive environment summarised in (a) to (f) above, there are, nevertheless, significant challenges facing the development and implementation of the Laos-Australia HRD Program. These challenges include:

- (a) Insufficient understanding within Government agencies of the significance of agencies' training needs analyses (TNA), effective human resource development strategies, and skilling / training / personal development – and their relationship to one another. Furthermore, there are few planning documents available that clearly demonstrate the current needs of Government agencies and related organisations; similarly, few realistic HRD plans exist.
- (b) English skills are currently at a very low level across most Government agencies. Some exceptions include discrete sections within the Ministry of Education and Sports, and in the Ministries of Foreign Affairs, Planning and Investment, and NUoL largely as a function of overseas scholarships. Nevertheless, this limitation will continue to create challenges for program and sub-program planners in developing appropriate HRD pathways and priorities, which rely upon English as the language of delivery.
- (c) Resourcing the proposed expansion of the existing LASP program so that it provides a more inclusive and strategic HRD facility is not likely to be constrained by a severely limited budget; it *appears* that there will be sufficient funds over the next four years for the planned program, and potentially for a continuation into a second four-year period. However, greater surety of the long-term budget would allow AusAID to be more confident in building and maintaining Lao Government and other donor expectations. Nevertheless, care must be taken to ensure realistic expectations of outcomes are maintained. Similarly, the potential for program “scope-creep” must be monitored - and managed appropriately by both Post and Facility Managing Contractor (FMC) personnel.
- (d) Many Government agencies face demands for interest and attention from a range of external agencies and donor organisations; overwhelming agencies with unnecessary support will only serve to create greater skill gaps and HRD needs; thus potential skilling, scholarships and related interventions must be managed carefully and be realistic in terms of absorptive capacity.
- (e) The capacity of Lao *distant provinces* to absorb, embrace, and benefit from change to human resource strategies and practices is currently very low, (even when compared with the limited environment at the national level). Strategies to involve provinces meaningfully will need to extend beyond the current Australia Awards' focus on priority locations and AusAID's LANS program; this will be challenging in terms of regional enthusiasm and access.
- (f) In general, there is a low level of readiness and capacity for change to a more structured human resource development approach within Lao Government ministries - with some exceptions. The requirement for a comprehensive pre- and continuing communication strategy, and processes that ensure target audiences can “learn how to learn”, cannot be underestimated.

2.1.4 Lessons learned from ICR

The Independent Completion Report (ICR) completed in the second quarter of 2012, provided extensive and accurate data concerning potential improvements to Component 2 of the proposed Lao HRD program, in addition to suggestions concerning a broader HRD approach.

In particular, the ICR recommended a far closer alignment of priority fields of study with targeted ministry needs – and with the DCS. This recommendation has been included in the current design. Similarly, recommendations that the Lao Chamber of Commerce and MoHA be included on the Australia Awards JSP are now an integral part of Component 2.

The ICR sought to optimise the value of returning graduates in a systematic manner – particularly through a more functional alumni organisation. To achieve this currently undervalued resource, the structure of the program management will include a position dedicated to alumni support and development, and provides the options for grants to allow returning AAS graduates to continue some of the research they began while in Australia. The budget provides funding to use skilled graduates as

consultants in specific HRD activities within ministries and the non-government sector. Re-entry and reintegration planning (Work Plans on Return – WPR) will assist in ensuring a smoother transition for graduates from their Australian experience to their return to the workplace.

The report recommended that “pre-AAS candidates be selected who have been identified by their ministry for future AAS/ALA nomination but are expected with additional English language ability to be eligible/competitive”. Although it is difficult to pre-determine success factors and potential, the design proposed a similar approach to targeting individuals, in key positions in target agencies, who are clearly destined to be catalysts in positive change in Laos.

The Lao Australia National Scholarship scheme has been shown by the ICR to be a relatively low-cost and effective means of identifying potential leaders, from poor and educationally disadvantaged provinces. The design includes an expansion of the program from the current 70 participants, to 120. The ICR recommendation that the program be expanded to other universities is sound and will need further consideration once the outcomes of the initial two cohorts of the current NUoL LANS program are assessed.

The reviewers sought a more robust monitoring and evaluation framework – which allowed the outcomes of all Australia Awards (and LANS) programs to be considered and assessed holistically. The Theory of Change, and the accompanying Monitoring and Evaluation Framework (MEF) for the Lao HRD Program have embedded such an inclusive approach as an integral part of assessing the success or otherwise of the program

In summary, the ICR has provided valuable and detailed data on which (Component 2 in particular) of the Lao HRD program design has been based.

2.1.5 Design methodology

The development of this Program Design Document (PDD) involved the following broad approach:

- Analysis of previous research, and review of documents, similar AusAID regional country programs, and other donor development strategies for Laos;
- Consultations with Lao program and regional desk personnel, and relevant thematic sections at AusAID Canberra (scholarships, gender, disability, region, procurement);
- Consultations with available Lao Government ministries in Vientiane and civil society organisations;
- Preparation of *Aide Memoire* and subsequent discussion with Vientiane Post personnel; and
- Subsequent preparation of this *Program Design Document (PDD)*.

3. CHOICE OF STRATEGY AND ENGAGEMENT MODALITY

3.1 Theory of change

The program's theory of change has been developed to enable stakeholders - including technical professionals, government officials and users / beneficiaries of the Lao HRD Program – to understand the rationale of the program vis à vis its expected impact at institutional, organisational and individual levels.⁴⁸

The theory of change for the HRD Program represents a *results chain* approach: the sequence of elements required to achieve the program's goal and objectives are based on inputs (or "approaches") such as skilling, advising, or mentoring, for example, involving a number of relevant human resource development activities (linked wherever possible). These activities include individual and organisational training, scholarships, volunteer support and technical advice.

The outcomes (the effects that result from people and organisations participating in the activities) when assessed through the planned M&E program, will indicate the extent to which the program's stated six objectives have been achieved.

There is no suggestion that individuals or organisations should be restricted to accessing a single pathway only; rather, where funding, expertise, capacity and readiness align, a cohesive program of interventions will provide more sustainable outcomes.

In determining how effectively the theory of change established initially for the Lao HRD Program has been, the following questions / issues will need to be addressed:

- (a) *Efficiency*: Is the program working smoothly? Do the outcomes indicate that the best approaches are being used to achieve desired results in Laos?
- (b) *Effectiveness*: Is it working? How well are individual components or activities attaining individual outcomes and purpose?
- (c) *Impact*: Are the positive (and negative) changes produced by an activity - both intended and unintended - clearly identified?
- (d) *Relevance*: Are the activities within components remaining consistent with the priorities and development goals of the broader Australia Laos Development Cooperation Strategy 2009-2015?
- (e) *Sustainability*: Will the benefits last? Which component activities are likely to continue after donor funding has been exhausted?

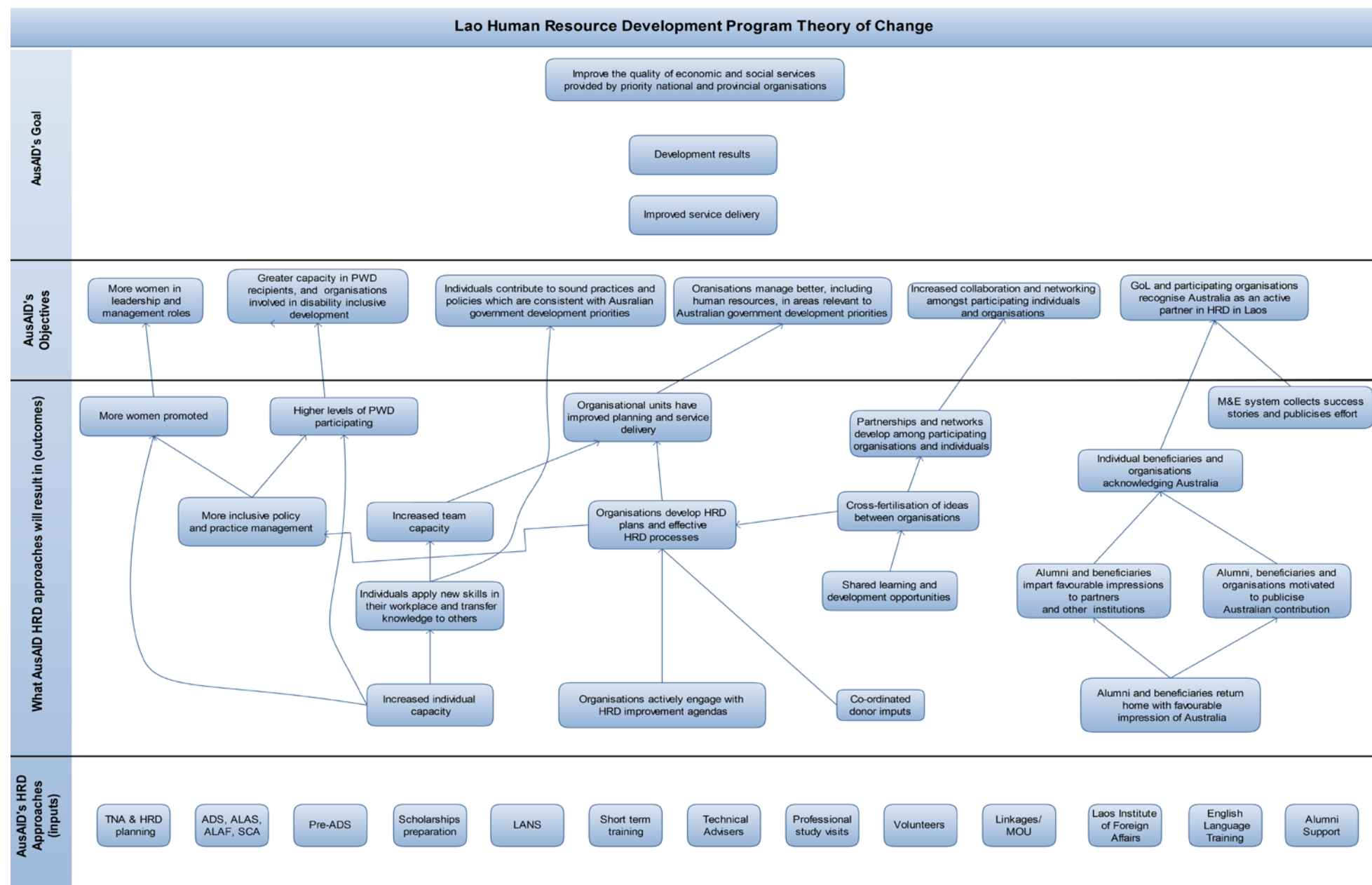
The flowchart presented in Figure 7 (over) provides a simple representation as a basis for communication with stakeholders.

Nineteen (19) different mechanisms (*Inputs*) have been proposed for the Lao Australia HRD program as part of an integrated approach to improving human resources in the country, initially in targeted ministries and organisations. In the Theory of Change diagram over, the integrated results (*Outcomes*) of these linked approaches are identified, and both cumulative and concurrent / parallel pathways to achieve the program's six *Objectives* tracked - and are indicated in the diagram by lines linking outcomes to their related objectives.

The program goal: *to improve the quality of economic and social services provided by priority national and provincial organisations in Laos*, is positioned above (and as the broad result of) the six objectives, to confirm its purpose as the overall reason for implementing the HRD Program.

⁴⁸ Theories of change are explicit statements of hypotheses about how desired changes are expected to come about. They spell out a pathway of change which describes the changes expected from the interventions, ways in which the changes are expected to come about; pre-conditions or assumptions which affected the realisation of these desired changes; and what will be observed if an expected change has occurred. They form the basis for planning a program of interventions and also, through careful monitoring and evaluation, enable evidence-based discussion to take place to assess the validity of the hypotheses and how they might be strengthened.

Figure 7: Theory of Change diagram



3.2 Choice of partnerships model

It is planned that, collaboratively with AusAID, the Lao Government will determine the overall strategic directions for the support to be provided through the facility, and play a major role in ensuring optimum outcomes from the *Australia Awards* and related HRD programs.

The Lao Government will be asked to take responsibility for establishing broad priorities (particularly through its participation in a *High-Level Advisory Council and a Program Steering Committee*) (see Section 4.5); maintaining effective policy dialogue; contributing in-kind resources; identifying and advising on needs; and ensuring an appropriate and productive level of donor coordination in activities involving the HRD program.

Through its participating ministries, the Lao Government will have responsibility to ensure current, accurate and relevant data is provided to AusAID to assist with competent and cost-effective activity planning and programming, and with thorough monitoring and evaluation of the Facility management responsibilities.

A phased approach has been endorsed, which involves supporting a number of target institutions in the program's initial 12-24 months (Target Group 1). Two Lao Government agencies and two community-based organisations have been identified as Target Group 1 participants, based on factors including: level of readiness; overall role within Laos' development environment; planned support at national and sub-national level; and alignment with an Australia Laos Development Cooperation Strategy 2009-2015 Pillar.

The Target Group 1 Government agencies identified are the Ministry of Education and Sports (MoES)⁴⁹; and the Ministry of Home Affairs (MoHA); and, although at a lower planned level of support, the Lao Disabled Persons Association (LDPA) and the Lao National Commission for the Advancement of Women (LaoNCAW), have also been identified as Target Group 1 organisations.

Target Groups 1 and 2⁵⁰ were identified following discussions with a range of Government agencies and organisations. Earlier research by AusAID had indicated that a small number of agencies were demonstrating a higher level of readiness and development maturity than others.

In assessing issues of readiness, organisational maturity, organisational structure, services provided, and impact potential, a range of potential implementation models was considered – among them a system involving different tiers of involvement. Each alternative considered presented challenges in terms of balancing likelihood of success with the desire to meet (as well as possible) the many needs of a wide range of agencies – all at differing levels of current capacity, and with different expectations.

From the analysis and discussion, two Target Group 1 agencies were subsequently selected: MoES – for which a major argument was its proactive approach to developing its human resources, its (potential) sub-national reach, and the agency's appropriate use of international advisers to date. MoHA⁵¹ was chosen as a second Target Group 1 agency because of its emerging role as a coordinator of human resource development across the Government as a whole, and its key position as a policy decision maker and communicator within the Government.

And although the agencies/ organisations in Target Group 1 have been identified clearly, the FMC and Post personnel will need to undertake initial and broad scoping work in the first two years of the program to provide a better understanding of which Target Group 2 agencies will be best positioned to gain benefit from subsequent program support – in the second half of the first four-year program.

To achieve this, a readiness and selection strategy to assist with the prioritisation of program engagement with Target Group 2 agencies will be developed. The strategy will: (a) identify specific

⁴⁹ MoES currently manages international scholarship programs in Laos, on behalf of all GoL agencies

⁵⁰ Refer Figure 8

⁵¹ It is important that the appointed Facility Managing Contractor liaise closely with ADB in regard to any Program initiatives involving MoHA, to ensure that there is no duplication of effort by either donor, and that harmonisation is encouraged.

agency or organisation development and training needs that could be enhanced through the Lao HRD Program; (b) undertake agency profiling to determine how individual organisations can best benefit from the different sub-components of the Program; and (c) establish communications' protocols for assessing and negotiating differing levels of involvement with selected Target Group 2 agencies and organisations.

The planned mid-term review will support the identification / prioritisation of Target Group 2 agencies and organisations. By investigating the HRD readiness assessment levels of Target Group 2 agencies, AusAID and the FMC can be confident that an organisation is: at an appropriate stage to progress to a higher level of HRD support; that it has the capability to engage as a partner in a more targeted program; and is prepared to commit to participation at all stages.

In subsequent years, it is proposed that additional ministries and organisations (beyond Target Groups 1 and 2) will be supported, although this will require a gradual change to the nature and initial levels of support being offered to the four target agencies and organisations identified above.

The broad participatory roles of each of the participating (individual) Government ministries (as recipients of program services) are outlined in Figure 8.

An earlier AusAID analysis of HRD for Lao⁵² confirmed a significant capacity gap between the national and sub-national government agencies in Laos. Understanding this and implementing approaches to redress this imbalance is essential if better service delivery and development outcomes are to be achieved, not only in Vientiane and larger centres, but also across the less populous provinces.

The analysis suggested that by directly targeting the lower levels of government, AusAID will be concentrating on an area that typically receives a low level of support, and yet may be the best suited to deliver services to the most vulnerable populations, who mainly reside in rural geographically isolated areas. The analysis also stated that there are relatively few lessons available from other programs on how this can be accomplished most effectively in an efficient and cost-effective manner.

An initial activity for the Facility Managing Contractor will be to assess how efficiently and effectively its resources can be used to build capacity in and support such HRD services to sub-national agencies and organisations. This activity is an essential first step for the FMC after mobilisation; through open and transparent dialogue, AusAID will be able to ensure that realistic expectations of the program "reach" (if any) beyond the national level are determined, communicated, and subsequently implemented.

The Lao National Assembly (refer Section 1.1.1) has previously sought support from Australia to enhance the skills and capacities of its representative members. Although not included specifically as a Target Group 1 or 2 body for initial support, support will be available to the National Assembly (NA) for discrete activities. The main challenge to be faced in supporting this client group will not be so much in meeting a potential high demand, but rather being able to identify sufficient NA members with the time available and sufficient English language levels to benefit from the program. This opportunity for the planned HRD Program to address this potential challenge has been confirmed recently by direct requests for Australian support for improving the English language capacity of National Assembly members. Recognising the unique status and needs of the NA will require a tailored approach involving high-level AusAID and DFAT engagement.

The diagram which follows (over) outlines the planned implementation of program support to Target Group 1 and 2 agencies and organisations – at both the national level and at the sub-national (where appropriate and where capacity exists) level. Support to these bodies has been identified within the planned three program components, which are explained further in Section 4.3.

⁵² Human Resource Development for Lao PDR: An Analysis of HRD Support Options for AusAID, March 2012

Figure 8: Program participation by Lao ministries and organisations

			Target Group 1				Target Group 2										
MECHANISM			MoES	MoHA	LNCAW	LDPA	NUoL	NCDP	MPI	MLSW	MIC	MoF	MNRE	MoFA	MoEM	MoAF	OTHERS
1. HRD Analysis & Planning																	
New approach	Training Needs Analysis (TNA)	TNA will be undertaken as a priority activity for all Target Group 1 central agencies / orgs in Year 1 In Yrs 2 & 3 expand to provinces & districts					Interim TNA if resources permit			Identify all existing TNA data/ reports; assess staffing structures; determine broad TN priorities. Offer TNA for Gp 2 from Year 3 if resources available							After Year 4
New approach	HRD planning	Dependent upon the outcomes of TNA, HRD Planning will be initiated in Year 1 or 2, at both national (and sub-national level, depending on resourcing)					Senior Program Committee to determine Target Group 2 priority order, for HRD planning, from Year 3, dependent upon resources available										Dependent on above
2. Scholarships, Awards and Alumni																	
Existing approach	Australia Awards Scholarships (AAS)	20 AAS available across Target.Gp1 (except LDPA ⁵³) & Target Gp 2 agencies; Non-Target Group 1 & 2 agencies / organisations (only) can also access five (5) additional AAS					20 AAS available GoL Target Group 1 (except LDPA) and Target Group 2 agencies Non-Target Group 1 & 2 agencies / organisations (only) can also access five (5) additional AAS										See at left
Existing approach	Australia Awards Leadership Program (AALP)	AALP is now integrated into AAS program; Assume that Laos will receive between 5 & 10 annually					AALP scholarships are now integrated into AAS Program; Assume that Laos will receive between 5 & 10 annually										As at left
Existing approach	Australia Awards Fellowships (AAF)	FMC to identify appropriate relevant AAF Programs from Scholarships Section lists; and seek/manage individual GoL agency/org participation					Include with Target Group 1		If places available, advise Target Group 2 agencies of AAF availability								As at left
New approach	Short Course Awards (SCA)	FMC to determine appropriate (in-Aust or in Laos with Aust provider) SCAs, collaboratively with AusAID, and seek Schols Section funding for proposed program					Provide SCA where resources permit and places available		Unlikely that other Target Group 2 agencies or organisations will be able to access SCAs, before the second half of the program (from beginning of Year 5)								Not likely to access SCAs
Existing approach	Laos Australian National Scholarships (LANS)	Target Group 1 agencies / orgs have no role in providing LANS; however, FMC should investigate options for LANS graduate program					Current LANS provider	No role in providing LANS								Consider expansion to region. unis	
Existing approach	Scholarships preparation: Foundation Studies	Individual, successful AAS applicants will be able access Foundation Studies (or EAP), as for all successful applicants					Individual, successful AAS applicants will be able access Foundation Studies (or EAP), as for all successful applicants										As at left
Existing approach	Scholarships preparation: EAP	Individual, successful AAS applicants will be able access EAP (or Foundation Studies), as for all successful applicants					Individual, successful applicants will be able access EAP (or Foundation Studies), as for all successful applicants										As at left
New approach	Alumni support	FMC to provide proactive and responsive support for Alumni (individuals, agency/org, and all grads)					FMC to provide proactive and responsive support for Alumni (individuals, agency/org, and all grads)										As at left

⁵³ Classified as a member of the "Open" scholarships category, direct and cohesive support for LDPA could be strengthened by targeting that organisation for Open scholarships

		Target Group 1				Target Group 2										
MECHANISM		MoES	MoHA	LNCAW	LDPA	NUoL	NCDP	MPI	MLSW	MIC	MoF	MNRE	MoFA	MoEM	MoAF	OTHERS
3. Co-ordinated Engagement through Targeted Initiatives																
New approach	Short-term training (STT)	FMC (with HRD Technical Reference Group) to determine priority STT needs, and contract in-Laos or regional courses to appropriate providers				FMC to invite participation of Target Group 2 agencies in organised short courses (STT) where additional space / capacity available										As at left
New approach	Specialist technical advice/advisors	Target Group 1 agencies will require either short-term or long-term TA to build capacity in undertaking specific identified tasks				Consider specific-topic, short-term TA, with Cap. Bldg focus			Unlikely that Target Group 2 agencies will be able to access TA in the first half of the program (Years 1-4); however, some peripheral TA may be available through inter-agency collaboration							Not likely to have access to TAs
New approach	Professional study visits	Any professional study visits will be targeted, topic-specific, and only be implemented where other mechanisms are not available, or as a key part of one.				Prioritise within MoU	Unlikely that professional study visits will be a mechanism used with Target Group 2 agencies, certainly in the first half of the program (Years 1-4)									Very unlikely to access study visits
New approach	Australian Volunteers for Int Development	Volunteers can support both GoL agencies and CSOs; propose mature-aged, skilled management vols for agencies & orgs; + possibly younger vols for CSOs				Target Group 2 access to volunteers would require very specific, narrow topic / sub-sector identification and monitoring										Unlikely to access volunteers
New approach	Linkages / MoU	FMC to actively seek, and support linkages with similar GoA agencies and Aust CSOs				Prioritise for Cap. Bldg	Support as identified by agencies; provide potential linkage organisations; limited proactive support by FMC									Advise of potential GoA linkage orgs
New approach	Responsive, coordinated services	Where additional funds consistent with Facility objectives are provided, the FMC will liaise with AusAID on these additional responsibilities				Where additional funds consistent with Facility objectives are provided, the FMC will liaise with AusAID on related resource demands that will result from these additional responsibilities										As at left
Existing approach	Pre-AAS English Language training for GoL officials	Continue to provide, link more closely with AAS; monitor to improve pre-AAS/AAS connect			Not available	Available, as part of MoES	As for MoES, MoHA, LaoNCAW									Not available
New approach	Other English Language training (ELT)	ELT is a priority for MoHA; can begin before TNA		Complete TNA before determining level of ELT appropriate (Yr 2?)		ELT is in demand across all GoL agencies and organisations. As well as supporting other organisations providing ELT, such as IFA, MoES, FMC will need to plan for an implement a rolling series of ELT programs available to appropriately skilled personnel, following agency/org TNAs										Provide ELT opportunities after Year 3
New approach	Lao Institute for Foreign Affairs (Program)	All GoL agencies are able to access IFA courses depending on available spaces			Not available	All GoL agencies are able to access IFA courses depending on available spaces										As at left

4. PROGRAM DESCRIPTION

The Laos-Australia HRD Program, as reflected in this design, involves a strategic and targeted focus on human resource development in Laos, incorporating existing LASP approaches in the form of AAS, AALP, AAF, LANS, Pre-AAS, English for Academic Purposes (EAP), and a Foundation Year, into a broader but more targeted human resource development program. This will involve working closely with those Lao ministries whose mandate relates to the development priorities that Australia and Laos have agreed, and with non-profit associations working in the area of gender and disability.

The design paves the way for improved award programs that link organisations, people, their courses of study and development outcomes with training needs analyses, organisational plans, activity on return from courses and training, and stronger measurement of effectiveness. It maximises partnership between Australia and Laos in steering the program; and uses evidence-based decision making to inform management and stakeholders. It will also involve a stronger engagement with program alumni.

4.1 Goal and objectives

4.1.1 Program goal

The program goal (2013-2017) is to improve the quality of economic and social services provided by priority national and provincial organisations in Laos.

The goal supports the development of the skills of the Government of Laos as a platform for on-going economic development in Laos as well as its regional and global integration. Human resource development (HRD) is defined in this goal as developing the competencies and capabilities of individuals in cognitive, technical and relational domains as a basis for institutional strengthening and improving development outcomes.

Access by individuals to various components of the program will represent the Australian Government's contribution to improving HRD capacity generally in Laos. This is a continuation of the LASP approach. However, targeting institutions with a strategic program of HRD will scale up the potential impact of the program of institutional strengthening, which in turn will contribute to improved management and service delivery, and sustained and self-generating performance.

The goal is also framed by an emphasis on ensuring that women and people with disability – from all partner organisations - have equitable access to the program. While each of the objectives will include gender and disability foci, separate objectives⁵⁴ reinforce the importance of this principle.

4.1.2 Program objectives

The following six objectives will support the achievement of the *program goal*:

- (1) To assist key ministries, training institutions, and partner organisations to demonstrate better management, including the management of human resources;
- (2) To improve the development and application of sound policies and practices by individual beneficiaries of the program;
- (3) To improve participation of women in leadership and management roles;
- (4) To increase the capacity of people with disability, disabled persons' organisations, and organisations involved in disability-inclusive development;
- (5) To increase collaboration and networking amongst participating individuals and organisations;
- (6) To improve recognition and acknowledgement, by the Government of Laos and participating organisations, of Australia as an active and responsive partner in the human resource development of Laos.

These objectives specify the intended effects of the program.

4.2 Program assumptions

In support of the program theory of change, the design proposes a set of broad assumptions which facilitate understanding of why the program strategy has been selected. These are listed and

⁵⁴ While acknowledging that the existing Lao social environment presents significant challenges in achieving meaningful outcomes for Objectives 3 and 4, an appropriate level of Program human and financial resourcing has been allocated to encourage and promote success in gender and disability issues

explained in the statements below, and have direct ramifications for how agreed strategies are implemented in the program:

▪ **Human resource development is an essential platform for sustainable development:**

Human resource development is defined as developing the competencies and capabilities of individuals in analytic, technical and relationship areas, as a basis for improving development outcomes. This assumption underpins the program's use of multiple and coherent approaches or mechanisms.

▪ **Individual skilling and capacity building assists organisations:**

By continuing to respond to requests from individuals to access long-term scholarships, Australia is allowing motivated individuals to receive assistance to develop their own skills and knowledge; such individuals are expected, and very likely, as experience has shown, to contribute to the growth of Laos. These individuals will come from open and public categories of applicants.

▪ **Careful selection of participants is fundamental to achieving program objectives:**

Careful selection of participants across all program components, in collaboration with participating organisations and in line with agreed criteria, will influence significantly the achievement of human resource capacity objectives.

▪ **Coordinated use of the various HRD approaches to achieve outputs of a HRD plan is more likely to be successful than a more *ad hoc* approach:**

By targeting a strategic program of HRD on institutions whose responsibilities are aligned with Australia's development priorities, Australia is scaling up the potential impact of the program on institutional strengthening of individuals and work teams. This in turn will contribute to improved management and service delivery, and sustained and self-generating performance.

▪ **Human resource development activities should also establish and/or strengthen knowledge-sharing networks:**

Involving individuals from different partner institutions together in HRD experiences will enhance the creation of formal and informal networks and improve collaborative outcomes.

▪ **Where possible, the program should also support skill development at provincial and local levels:**

Including an emphasis on HRD development at sub-national levels (where capacity exists and the agency / organisation is ready) will create stronger capacity to deliver services to the Lao community, as it is at these levels that service delivery and community engagement responsibilities are more easily defined, particularly given the current fragile state of HRD systems, processes, and monitoring.

▪ **The program must enable Lao women:**

Ensuring that women and women's organisations have equitable access to HRD will empower more women to participate in target organisations and strengthen the institutions' contributions to effective development. Targeting women in HRD, including all scholarships' components, is an important precursor to higher levels of female participation in leadership and management within organisations.

▪ **The program must empower Lao people with disability:**

Ensuring that more people with disability and related organisations are included in the program will reduce barriers, and contribute to their fuller participation in Lao society.

▪ **Management of the program must be coordinated, to achieve better outcomes:**

The facility model enables consolidation of often-divergent Australian HRD development initiatives under one cohesive program; enhances coordination and cost-effectiveness; and provides increased visibility and recognition of Australian development assistance in Laos.

▪ **A phased approach will provide a more focused, manageable and defined HRD support:**

The provision of comprehensive HRD support will be introduced to one or two specific targeted ministries at a time; and to a limited number of selected key partners. This is consistent with careful piloting of approaches, and progressive engagement, when appropriate.

- **HRD support should establish and support continuing peer-learning:**

Alumni and others who receive HRD support can be positioned to contribute strongly to the achievement of development outcomes and the creation of partnerships within and across agencies, sectors and between the public sector and civil society. The fostering and use of inter- and intra-agency support networks and the formation of coalitions underpins collective action that is important in dealing with development challenges. Australian alumni hold senior positions in many organisations and are well placed to assist in this way.

- **A committed and contributing partner will gain more from a development program:**

Including precursors for sustainable development will enhance the likelihood of sustainable outcomes, using agreed drivers. These drivers include relationships with organisations being predicated on negotiation; clear allocation of responsibility within the organisation for engaging with the program; contribution of resources by the organisation; and stakeholder participation in planning and monitoring.

- **Effective HRD is linked to strong “buy-in” by partner governments:**

In line with the Accra Accord, strong leadership by and engagement of developing country governments is essential for progress. The Lao government lists human resource development as one of its seven broad strategic directions. In addition, it identifies four “breakthroughs” including the particularly relevant: *Breakthrough in human resources development, particularly the upgrading and nurturing of knowledge and competence of officials in all aspects to meet the growing development requirements.*

- **Effective reintegration of Australia Awards alumni is linked to organisational commitment:**

Wherever organisations, including officials who supervise alumni on their return to work, commit to supporting alumni in implementing their Work Plan on Return (WPR), there is a greater potential for the intended results of those WPRs to be achieved.

- **Coordinated action across partner agencies enhances human resource development:**

Governance of the program will involve ministries in coordination mechanisms that bring senior officials together to consider HRD matters and develop shared understanding.

- **HRD is enhanced where the efforts of donors are coordinated:**

HRD support in any agency should be coordinated insofar as: efforts all contribute to the same HRD plan; the overall impact of donor inputs on the resources of the agency to manage relationships and to carry out its mandate is manageable; and the approaches of the various donors are consistent. Genuine donor coordination will scale up the outcomes of the program.

- **Synergies with other AusAID programs and Australian whole-of-government partners will be maximised:**

Other AusAID programs in Lao seek to develop capacity across each of the three Australia Laos Development Cooperation Strategy 2009-2015 Pillars, and in water resources. The Laos-Australia Rural Livelihoods Program (LARLP) (2012-16) includes a number of components that will benefit from individual HRD inputs; also the Australian Centre for International Agricultural Research (ACIAR) research projects are developed within a framework which reflects the priorities of Australia's aid program and national research strengths, together with the agricultural research and development priorities of partner countries.⁵⁵ The HRD Program will provide the framework and structure for HRD support to these and other relevant activities.

⁵⁵ ACIAR has a program of consultations with key partner countries on a rolling basis to establish priorities for research collaboration. The country consultation is an opportunity to discuss how the program can move forward in line with the Government priorities for the agricultural sector. Priorities for collaborative research for development between Australia and Laos were discussed in 2009 at a consultation workshop in Vientiane. In 2012 a number of consultation workshops were conducted to design priorities with key stakeholders for each program area namely land and water, crop, livestock, agricultural systems management, forestry and fisheries. The outcomes of these workshops were presented at the country consultation in Vientiane in June 2012. The aim of the consultation was to identify priorities for research collaboration to link with government programs and to ensure that ACIAR's work continues to complement national strategies. ACIAR will use these priorities as a framework to develop a collaborative research program, subject to further advice and information from Laos and alignment with the Australia-Lao Development Cooperation Strategy 2009-2015. ACIAR's program is directly aligned with the DCS rural development initiative.

4.3 Program components

To achieve the objectives listed in paragraph 4.1.2, the program will comprise three components, with differential levels of access for organisations - depending on whether the organisation is targeted under the program, and when that targeting occurs. Targeting is to be used as a key strategy to ensure that resources available to achieve the objectives can be scaled up sufficiently in selected organisations for this to occur.

An additional key principle is that of coordinating HRD approaches to ensure an optimal mix designed to achieve sustainable improvement in human resources and improved service delivery.

Figure 9: Program components

Number	Component
1	Human Resource Development Analysis and Planning
2	Scholarships and Awards, and Alumni
3	Coordinated Engagement through Targeted Initiatives ⁵⁶

4.3.1 Component 1: Human resource analysis and planning

This component comprises training needs analysis (TNA) and human resource development (HRD) planning. It presumes strong engagement with and ownership by target organisations. Any human resource planning activity that *does not* involve a comprehensive analysis of individual and organisational needs, prior to implementing a resulting human resource development plan, will have limited, and undefined outcomes. A human resources development plan, and its subsequent implementation, are the key to achieving successful and sustainable outcomes; and all activities, including scholarships and awards, must align with this first and overarching component of the Laos-Australia HRD Program.

■ Training needs analyses (TNA)

Training needs analyses (TNA) are an essential platform for almost all responsive mechanisms planned for the HRD Program. A thorough TNA is necessary for each agency or organisation that the program is planning to work with intensively, through the targeted and phased approach.

All Government agencies consulted have identified a need for the further development of their staff, and have indicated a strong interest in participating in the program. Clearly, the proposed program has limitations, not only in terms of available budget, but also in relation to the capacity of Vientiane Post personnel to supervise the program implementation by the Facility Managing Contractor (FMC), and to ensure continuing interaction with Government officials at a high level.

The program will ensure that analyses of HR capacity requirements conducted in ministries and other targeted organisations are pertinent to the size, complexity and function of the organisation in question. It should be borne in mind that MoES (a Target Group 1 agency) is the largest ministry in Laos with 23 departments, and offices in 17 provinces and 144 districts.

Confirming the scope of the program's engagement with the participating ministries will be essential in ensuring that the objectives of the program are met. This will involve, for example, questions about:

- how engagement will be targeted within the ministry;
- the extent of focus on human resource management capacity development as against HR capacity development generally;
- the balance of attention given to national and sub-national levels;
- the extent of focus on women; and
- the extent of focus on disability, and how this is balanced across individual people with disability, disability-specific units (such as the MoES' Centre for Inclusive Education) and mainstream departments in ministries.

⁵⁶ Component 3 "Coordinated Engagement through Targeted Initiatives" involves the identification of *specific HR needs* in individual agencies and organisations, and the subsequent planning, management and delivery of professional technical skills' training and assistance through a range of linked mechanisms/approaches, in a single agency, or across groups of agencies/organisations with similar needs.

Also pertinent is the concern that TNAs may not be readily translated into quick action or early results; and this may build expectations in the participating ministry of a level and breadth of support that is not possible. To that end, partial TNAs and related action plans may be considered as a precursor to a more comprehensive approach.

The program will employ technical assistance to carry out the TNAs, ensuring that consistent methodologies are employed across organisations. The HRD Manager employed by the FMC will oversee the technical aspects of this work. As noted above, the training needs analyses must provide the platform upon which HRD specialists can plan for and implement an effective and sustainable HRD program in a target agency or organisation.

▪ **Human resource development (HRD) planning**

HRD planning - a core program activity - will follow the needs analyses; and will enable well-founded decisions on the HRD approaches to be applied. These decisions must balance the needs identified during the TNA stage with available resources, and the readiness levels of participating agencies and organisations. (As noted previously, a readiness assessment tool will be developed to determine prioritisation of support for Target Group 2 agencies and organisations.)

All ministries in Laos are expected by the Government of Laos to have already developed HRD plans; however, where these exist, they are largely statements of intent rather than practical plans of action, and therefore do not constitute a useful starting point for program intervention. The TNAs carried out in targeted ministries will contribute to these broader plans, but given issues of scope, may not comprise the full information base for such plans.

While acknowledging the risks in delivering Component 1, it is expected that strong efforts will be made through policy dialogue and collaborative effort to create synergies with other donors in HRD planning and delivery. AusAID will have a core responsibility in facilitating this.

The HRD plans developed by organisations as an outcome of program-supported TNAs will:

- (a) be carefully scoped;
- (b) determine which HRD approaches available to the program are to be drawn on;
- (c) identify clearly output targets and performance indicators; and
- (d) have agreed processes of reporting and review.

Other key considerations for the HRD plans include a need to recognise multi-year and medium-term approaches, acknowledging that human resource development takes time, and sustained and continuous support / inputs. The HRD plans need to be comprehensive, and may even include priorities and needs that can be addressed by other programs/donors. Further, HRD planning should be seen as taking a “systems approach” – recognising that HRD and improvements in service delivery are a function of several factors, not just training and scholarships.

The application of these characteristics should not be onerous but rather, will provide a balanced approach to good planning, implementation, monitoring and review.

4.3.2 Component 2: Scholarships and Awards; Alumni

This component comprises the standard suite of scholarships and awards to be managed or supported by the program. They are of three different types:

- (a) AAS, AALP, AAF and SCA include scholarships and awards involving Australian educational institutions; or fellowships involving Australian host organisations⁵⁷;
- (b) LANS, involving scholarships for academically-able female and male students from disadvantaged backgrounds, to allow them to complete a degree program at a Lao public university, currently the National University of Lao (NUoL); and
- (c) Foundation Year (FY), EAP and Pre-AAS – designed to prepare candidates to enable them to be successful in applying for and gaining an AAS.

Each of these approaches has been provided in Laos under LASP. They are discussed further below.

⁵⁷ These scholarships and awards are funded centrally by AusAID

▪ Australia Awards Scholarships (AAS)

The AAS awards in Laos provide training in fields of study which will enable alumni to contribute the skills and knowledge acquired to more effectively contribute to activities in support of the three Development Cooperation Strategy strategic pillars (education; inclusive growth through trade and investment; and rural development), to the AusAID-supported Mekong Water Resource Management program, and to other cross-cutting initiatives. For these reasons, the AAS program and related scholarships and awards remain the major component of the Lao HRD Program, and as such account for more than one-half of the total budget.

AAS are scholarships which result in a formal academic or vocational qualification listed under the Australian Qualification Framework (AQF) that may be delivered either in Australia, or (potentially) jointly across both countries. For Laos, they include TAFE, undergraduate, Master's degrees and PhDs.

Forty-five AAS places are available currently to Laos in the public and open categories, being the *major form of HRD* (initially) provided by the Laos-Australia HRD Program that will be available to ministries and non-profit associations that are part of Target Groups 1 and 2, and to the private sector.

The Facility Managing Contractor will manage the full cycle of activity associated with AAS, including promotion, selection, mobilisation, on-award support, and post-award reintegration. In carrying out these functions, the FMC will need to consider how best to promote AAS in Laos, so as to minimise the number of ineligible applications, ensure that eligible women, people with disability (PWD) and provincial applicants are informed of their opportunities, and that eligible staff in targeted organisations are informed of the opportunities *and* the importance of relating their course of study to their organisation's HRD needs.

The following outlines the broad approach to the AAS program implementation:

Australia Awards promotional activities will commence in the first quarter of each calendar year. Application forms will be made available on the Lao AAS website, from the Facility Managing Contractor, and from the Ministry of Education in Vientiane Capital, and from the appropriate provincial education services, and are submitted in hard copy - by the published closing date (end-April). Eligibility checks are completed by the FMC and screening tests subsequently completed. The screening test - an aptitude test in the Lao language and a reading and writing test in English – is used to determine over suitability and to develop a short list of candidates.

The Australia Awards Joint Selection Panel (JSP) meets three times each year. It is chaired by AusAID Vientiane and also includes MoES and MPI representatives, and an academic adviser, and will include a Lao Chamber of Commerce representative for the Open category. Prior to the third meeting of the JSP, eligible candidates will complete their IELTS testing and participate in an interview. Interview questions will address issues including study and work experience, proposed study area and future prospects, and the relevance of the course of study to the development of Laos.

The overall selection process includes an interview, takes into account candidate performance on the screening test, assesses the extent to which the planned area of study is within the Government priority areas, and considers the applicant's prior academic record. Applicants who are shortlisted by the JSP for consideration for an AAS supplementary award have their leadership potential further assessed in a second interview.

The in-country *AAS Pre-departure Training Program* will be provided by the FMC, with topics including a broad range of essential skills needed to ease transition to study in Australian institutions and to adapt to life in Australia. The program builds skills in analytical thinking, critical approaches to knowledge, problem-solving, independent learning and academic study techniques as well as English language training.

Awardees for TAFE and Master levels undertake an English for Academic Purposes (EAP) course,

while undergraduate awardees undertake a foundation year program. Both programs include preparation for an IELTS test in November. During training, students must have access to resources and the necessary trainer expertise to allow them to acquire skills to enable them to choose appropriate courses and institutions that match their preferred fields of study.

Following start-up, and prior to the commencement of the first AAS cycle, the Facility Managing Contractor will review the existing and emerging AusAID guidelines for AAS to ensure that they are fully consistent with a more targeted HRD strategy and sustainable development approach. And while the first graduates of the new program will not return to Australia until the conclusion of the first four-year phase, their continuing value in assisting to set and review the direction for the overall HRD program should not be underestimated.

In summary, all AAS awardees will have completed an interview process supported by English language testing. Candidates selected by the JSP could then take one of several *pathways* to accepting an AAS placement in Australia:

1. *direct to a placement in a course in Australia;*
2. *placement in a Foundation Year course in Laos;*
3. *placement in an English for Academic Purposes Course in Laos; or*
4. *placement in a Pre-AAS program for Lao Government officials.*

Pathways 2, 3 and 4 are included in the discussion below, along with an explanation of the role of the FMC in managing each.

▪ **Australia Awards Leadership Program (AALP)**

Australia Awards Leadership Program scholarships are a prestigious and highly competitive award, selected on a global basis. They are provided to a limited number of AAS awardees, and are intended to develop leadership skills and be completed during their period of AAS study. They are development awards aimed at addressing priority development areas by enhancing leadership and building partnerships and linkages within developing countries. Globally, up to 150 AALP are available annually for high-achieving applicants whose chosen field of study equips them to play a significant role in addressing, researching or combating development challenges. Awardees are provided with opportunities to enhance their leadership capacity and extend their networks.

Selection for an AALP is highly competitive and is based on applicants' professional and personal qualities, academic achievement and, most importantly, their commitment to contribute to development outcomes for their country and region. In Laos, Master's- and PhD-level scholars are considered for these awards.

The Joint Selection Panel (JSP) will nominate a limited number of AALP candidates (who must first have applied for an AAS) for consideration by AusAID.

▪ **Australia Awards Fellowships (AAF)**

These are flexible short-term opportunities for in-Australia study, research and professional development activities, hosted by an Australian organisation, and often based on existing relationships or sector linkages.

The process of selecting fellows is managed by AusAID, across two rounds per year. The FMC may be required to assist AusAID Vientiane to rank proposals in order of importance and provide additional commentary. AusAID will provide the FMC with a spread sheet of final (course / program) selections. Following completion of fellowships, the FMC will incorporate fellows into its information system for limited outputs' monitoring and impact assessment purposes.

▪ **Short Course Awards (SCA)**

Short Course Awards are formal study or training – of generally less than three months' duration, delivered by an approved Australian higher education provider or an Australian Registered Training Organisation (RTO). In delivering SCAs, the Australian partner organisation is encouraged to create partnerships with local providers.

These Awards enable access to high-level Australian expertise, delivered in either Australia or Laos; and a rapid response to knowledge and skill development in a sector identified by AusAID, in conjunction with Lao Government. They also enable participation in study /training by personnel, particularly senior officials, who are unable to be absent from their workplace for extended periods.

AusAID and the Government of Laos will liaise on the areas of study to be proposed for SCAs. While initial proposals from Lao ministries and organisations have identified *project management, leadership and monitoring & evaluation* as areas of study, the actual list of SCAs to be offered should be guided by the findings of TNAs. The FMC will service this process and document the key learning outcomes to be addressed in the curriculum for each. These will be in response substantially to the needs identified in the TNAs of targeted organisations. The FMC will manage the process of tendering course provision to Australian providers for locally-funded SCA programs; for SCA programs funded centrally, AusAID Canberra will determine approved courses.

The FMC will monitor provision through a reporting framework, which will be incorporated in contract requirements.

▪ **Laos Australian National Scholarships (LANS)**

Laos Australian National Scholarships are scholarships that respond to the needs of marginalised populations by offering awards for provincial applicants from educationally disadvantaged areas or financially disadvantaged backgrounds. The LANS enable completion of an undergraduate degree program at a Lao public university, currently the National University of Laos (NUoL). Students participating are those who meet selection criteria and are studying in a field that is aligned to the Australia Laos Development Cooperation Strategy 2009-2015. Students who apply for a LANS must have already been accepted for study at NUoL.

The FMC will oversee the process of selection with NUoL, establishing a LANS Joint Selection Panel comprising the Lao Government, NUoL and AusAID with clear selection criteria to guide the decisions of the Panel. These criteria will include alignment with the Australia Laos Development Cooperation Strategy 2009-2015 objectives; and that applicants are from the Lao Government-defined disadvantaged districts. Consistent with program objectives, women and people with disability will be encouraged to apply for these scholarships.

The FMC will also carry out a study during the first year of operation to assess whether expansion of LANS to other public universities is feasible. Feasibility will relate predominately to quality of teaching and academic standards, although the terms of reference of the study will need to clarify specific parameters. Should expansion to other provincial universities proceed, selection processes should also be reviewed to determine the membership and scope of the LANS Joint Selection Panel.

▪ **Scholarships preparation: Foundation Studies**

This sub-component involves a one-year preparatory program, delivered in Laos, for undergraduate AAS awardees who need additional training prior to studying in Australia. It is one of two streams of the AAS pre-departure training program. The program is provided to candidates bound for undergraduate studies who do not meet academic requirements for acceptance into Australian Universities.

In addition to strengthening competency in English, students develop knowledge and skills in Mathematics, Australian Studies, Computing Science and Research, and Micro Economics. It also includes a one-semester module, the Study of Thinking and Ideas, specifically to build analytical and critical thinking skills and more generally to support the adoption of new learning and thinking methods at the core of the program.⁵⁸

The program involves students selected for undergraduate programs whose IELTS is 5.5, to enable them to reach the academic standard required by Australian universities.⁵⁹

⁵⁸ Lao-Australian Scholarships program AAS Curriculum Outline, January 2009.

⁵⁹ Under LANS it has been delivered by the managing contractor; while the UNSW Foundation Board of Studies closely monitors program delivery and marks examination papers.

The FMC will manage a process of tendering the management of the Foundation Year program, specifying clear deliverables and reporting requirements.

▪ **Scholarships preparation: English For Academic Purposes (EAP)**

This pathway involves a year of pre-departure training in Laos for TAFE and postgraduate AAS candidates. The AAS English for Academic Purposes (EAP) pre-departure program consists of a 1,350-hour program conducted over four terms. The underlying concept of the program is to prepare students with the necessary skills and understandings for living and studying successfully in Australia.

The program design is marked by strong conceptual and pedagogical cohesion, with three developmental and interconnected stages:

Stage 1: a Term 1 bridge from Lao to Western teaching /learning styles, adopting a skills approach to language development and learning strategies

Stage 2: a Term 2 and 3 content and language integrated learning (CLIL) approach to conceptual, cognitive, linguistic and social enhancement

Stage 3: the Term 4 focus, which acknowledges the specific linguistic, thinking and time management demands of IELTS within the broader academic demands of preparation for living and studying in Australia.

The FMC will also manage a process of tendering out the management of EAP, specifying clear deliverables and reporting requirements.

▪ **Alumni**

Effective post-award strategies such as alumni associations or networks have the potential to contribute to successful Australian award outcomes by supporting the enhancement of mutual understanding, and contributing to linkages between individuals in Australia and partner countries, while assisting program promotion and sustainability.

Alumni can be an important resource for promoting and supporting HRD efforts, as well as offering a broader role in providing linkages and networks into both the public and private sectors. Australian Awards Alumni associations offshore support professional development and networking among scholarship recipients and offer an opportunity for alumni to work collectively toward the development of their respective community, national or regional government agency, or sectoral interest. Associations can also contribute to Australia's gender equality priorities by supporting women to move into leadership positions, both in government and private or non-profit sectors.

Alumni have been seen to include recipients of Australian scholarships or awards who have completed a program delivered by an Australian training institution or registered service provider, either in Australia or in their home country. The design proposes that this definition should apply in Laos to maintain a level of selectivity and value. However, the HRD approach in Laos provided through the program is broader, including LANS and short-term training, as well as preparatory programs and other mechanisms. As such, these will involve beneficiaries who have not been exposed to Australian education or training. For these reasons, the FMC will need to liaise with the Laos Australia Alumni Association⁶⁰, and with the soon-to-be established Australia Awards Alumni Network (AAAN), to determine how these people might participate in association activities.

Consideration could be given to providing two levels of alumni membership – with those who have studied (short-term or long-term) in Australia as “Full members”; and those who have participated in a program delivered by the program in Laos or regionally (by an Australian or other organisation) as “Associate members”. In any event, other beneficiaries should be able to participate in program-led alumni activities. Alumni network activities to be managed by the program could include:

- (a) professional development seminars/workshops;
- (b) database management;

⁶⁰ The name of the association and its registration is currently being addressed by the interim committee with the GoL

- (c) a small grants scheme covering the implementation of reintegration plans, where alumni may apply for funding to assist in the implementation of their *Work Plan on Return* ;
- (d) alumni network activity grants, or grants that support community activities;
- (e) a website which will service both FMC awards management functions and alumni and beneficiary information needs;
- (f) a biannual Alumni newsletter; and
- (g) promoting linkages and volunteer placements.

The FMC will develop an *Alumni Engagement Strategy*⁶¹ which will incorporate each of these activities; and actively manage them in support of the Alumni Association. As a resource for the program, it is envisaged that alumni will play important supportive roles during the annual AAS and SCA management cycles, and potentially during the rolling four-year planning cycle. The alumni association can also provide a forum for active discussion and exchange of ideas /expertise relevant to development issues, for feeding into AusAID's annual program prioritisation.

4.3.3 Component 3: Co-ordinated engagement through targeted initiatives

This component comprises a suite of approaches to be accessed flexibly to support HRD needs identified during TNAs completed in targeted agencies.⁶²

▪ Short-term training

Short-term training (STT) is offered in the workplace or externally and addresses a specific, identified need in an organisation or agency. It is usually of one to three weeks' duration and does not necessarily result in formal certification. It can be offered in Laos or in the region. Although STT does not need to be delivered by an Australian RTO, the programs delivered will be subject to quality assurance and M&E, to ensure that they are fit for purpose and are meeting their objectives.

Short-term training will support HRD plans in targeted organisations. Identification of courses will be guided by the outcomes of TNAs and will focus on critical areas of skill development that are responsive to short programs of learning. Participants will be expected to relate their learning to problems they are confronting in their workplace; and will develop *Work Plans on Return* that they will implement with the support of their supervisor.

The FMC will, in conjunction with organisations, identify training themes and learning outcomes; manage a process of tendering out delivery; and conduct quality assurance and monitoring functions.

▪ Professional study visits

Study tours to a location in the region or to Australia can support other skilling and development programs in areas relevant to the Australia Laos Development Cooperation Strategy 2009-2015. They can also provide the basis for sustainable MoU between institutions and organisations.

Those wishing to take a professional study visits may apply for funding from the program.

Applications will be judged by a selection panel against a set of agreed criteria. These criteria will include:

- applicants must be an employee of a targeted organisation (in Year 1 and possibly Year 2, this will involve only the two Government agencies and the two CSOs in Target Group 1);
- justification for how the study visit will complement other HRD approaches in the particular functional area, as a means of scaling up desired outcomes;
- previous studies and/or experience / work in the field to be studied;
- a proposed study visit program outlining meetings / professional site visits to be undertaken;
- indication of support from supervisor or senior officer;
- a cost-benefit analysis; and
- an analysis of other options considered and reasons why a study visit is more appropriate for the planned HR development.

⁶¹ The Strategy must align with AusAID Scholarships' Section strategic objectives for alumni organisations; refer *AusAID Alumni Network Toolkit*: 2009 (rev. 2012).

⁶² Component 3 "Coordinated Engagement through Targeted Initiatives" involves the identification of specific HR needs in individual agencies and organisations, and the subsequent planning, management and delivery of professional technical skills' training and assistance in a single agency, or across groups of agencies/organisations with similar needs.

As an initial step, the FMC will develop the funding guidelines for consideration by AusAID; manage the process of approval; and assist the person(s) to mobilise.

▪ **Australian Volunteers for International Development (AVID)**

Volunteers can also provide targeted support in a specific area. In Laos, as in other countries, mature-aged advisers are likely to be valued more by Government senior officers. In any event, the skill set of the volunteer will be critical to their suitability. Again, volunteers will focus their efforts on agreed functions that will build HR capacity in identified individuals, in areas identified in organisational HRD plans. The FMC will work with organisations to make sure that volunteers are mobilised against clearly understood action plans.

An important (and on-going) role of FMC support across both the volunteering and alumni programs will be to explore and implement options for productive linkages between alumni who have returned to their positions within a Government ministry, and volunteers (particularly younger volunteers). By building on a shared understanding of Australian government and business practices, effecting practical change within agencies will be facilitated.

The FMC will attend the annual Volunteer Planning Meeting; and will liaise with AusTraining and Red Cross in identifying and mobilising volunteers, with AusAID participation in the dialogue.

▪ **Linkages / Memoranda of Understanding (MoU)**

These mechanisms assist in sustaining change, not only between institutions, but also across government agencies and organisations in the private and civil society sectors.

They will be a key mechanism in relation to engagement with, and strengthening of, the tertiary sector. This is intended to build the teaching and research capacity of Lao institutions and organisations to allow them to respond more effectively and rapidly to emerging social and development issues, across a range of national and sub-national levels (where capacity exists).

In relation to the tertiary sector, the FMC will facilitate contacts between NUoL and Australian institutions, where such assistance is identified by either side, and which are guided by the outcomes of the TNA. While it is not envisaged that the FMC will be a primary driver in this approach, it will maintain a watching brief and seek opportunities where a Lao tertiary institution would potentially benefit from such arrangements.

Capacity building of the NUoL (and subsequently other Lao universities) is a significant undertaking in its own right. Facilities at NUoL are limited and, while the staff employed there are committed, any long-term intervention to build the capacity of NUoL will require substantial funding, and a multi-donor approach.

Figure 8 indicated that the NUoL is a Target Group 2 priority organisation. It is believed that a thorough institutional needs analysis needs to be completed before a program of support can be identified. Nevertheless, should FMC capacity allow it, the assessment of NUoL – and HRD support planning – could be moved forward and take place in program Year 1 or 2.

▪ **Pre-AAS (English Language training for Government of Laos officials)⁶³**

This training is currently provided under LASP, and involves six months of training to enhance the English language skills of government officials to help increase the potential pool of public sector candidates for AAS. Selected candidates must have met an IELTS criterion of 4.5, and have been drawn from target agencies at both provincial and central levels

Success rates for Pre-AAS in terms of numbers of participants being selected for AAS study have been low, although the approach has been proven successful in boosting English language levels generally. For example, while 75% of Pre-AAS officials from 2011 met entry requirements for TAFE study in Australia, only 22% were successful in obtaining an award, as a result of competition for places.

⁶³ English language training will be available in several packages at various levels, including courses that range from basic conversational English language training to language training that is specific to professional development.

While it remains an appropriate strategy to boost the number of suitable AAS applicants, the selection process should *identify staff in targeted ministries most likely to be selected* for AAS awards once their English language capacity has been improved.

This approach, through identifying success-likely applicants before they commit to the demands of the pre-AAS program, will increase the proportion of public servants from targeted ministries likely to be offered a place. Further consideration should also be given to introducing some form of award “guarantee”, whereby potential Government AAS applicants would undertake a preliminary, but standard AAS selection process (in the year prior to their proposed application), and could be offered an Award on the basis of *all other criteria apart from English language ability*.

Provided these “successful” applicants committed to their studies; are monitored for ELT progress during their Pre-AAS program; and achieve the requisite IELTS scores at the completion of the program, they could be formally offered an AAS award. Under this potential design variation, all Pre-AAS officials who have applied **successfully** for an AAS, and subsequently meet ELT entry standards following their Pre-AAS study, would be offered an AAS. Such an approach will require an “embargoed” number of places for each (subsequent) year.

Irrespective of any agreed refinements to the Pre-AAS program, the FMC will manage a process of tendering the management of the Pre-AAS program, with clear deliverables and reporting requirements.

▪ Other English language training

Unlike many other Australia Awards countries, English language training is to be provided as a discrete program of support – in its own right. While building the skills and abilities of pre-AAS recipients to increase their potential for success in their studies in Australia is very important, the demands for Laos to create a reasonably sized cohort of English speakers is a similarly important need, which a comprehensive HRD program must also address. Some agencies may have a greater need for (reasonably) fluent English speakers, but not yet be at a stage where graduate or post-graduate AAS awardees in specific disciplines can assist with organisational development. This is a reasonable perception on the part of any such agency and where possible and appropriate, the Lao HRD Program should attempt to meet these needs.⁶⁴

As an initial step, the FMC will scope existing English language levels in MoES, MoHA, LaoNCAW, and LDPA with a view to developing and implementing an English language program that is cognisant of these levels, and which fits within the work requirements of each organisation. It is likely that this will involve a flexible approach, possibly involving part-time, evening and block release teaching. It is not envisaged that *extensive* TNA will be done in further agencies in the initial years of the program, so extension of ELT support to other such agencies and organisations will follow *rapid assessment* of English language levels and organisational work requirements; and will be dependent upon available resources.

▪ Lao Institute for Foreign Affairs

One existing ELT program which the FMC will assist is that provided by the Government of Laos’ Institute of Foreign Affairs. The Institute has the potential to conduct eight six-month courses in English for public servants for diplomatic purposes, but has difficulty in sourcing volunteers to build the capacity of national its own English language teachers. The FMC will liaise with the Institute in developing and supporting a sustainable approach to servicing this requirement.

▪ Co-ordinated engagement in specific projects

The HRD approach taken by AusAID in this design is the first comprehensive approach by a donor to HRD in Laos. Australia seeks, wherever possible, to harmonise efforts in a manner consistent with commitments to the Paris Declaration on Aid Effectiveness, the Vientiane Declaration, and the Accra Agenda for Action. Reflecting these commitments and synergies are a fundamental operational element of this design.

⁶⁴ The importance of meeting the need for non-AAS ELT cannot be over-estimated; all GoL agencies consulted throughout the concept development period, during the design stages, and at the Aide Memoire Peer Review constantly identified their need for skilled ELT support; without such support, agencies felt they would be unable to benefit substantially from other planned interventions.

Other donors are involved in various HRD activities in Laos (see Section 1.1.10), while each AusAID program in Lao has its own capacity building function. AusAID will use existing mechanisms to facilitate donor coordination. These include the Education Sector Working Group, of which AusAID is a co-chair; the Public Service Improvement Sub-Sector Working Group, chaired by UNDP and MoHA, and a (new) HRD Sub-Sector Working Group to be co-chaired by AusAID, World Bank and ADB.

In support of a cohesive HRD approach, AusAID will meet with other donors involved in HRD on a periodic and scheduled basis, ensuring that all donors are fully aware of the program's activities and sharing with them material such as TNAs and HRD Plans. Where this material relates to specific targeted organisations, these meetings will be with the agreement and participation of those organisations. Donor coordination will be essential if the impact of what is a relatively small program is to be increased. Of particular relevance at present are UNESCO, ADB and UNDP, which are working in areas of HRD in MoES and MOHA⁶⁵.

In relation to other current AusAID programs in Laos, the program will be guided by AusAID in ensuring that it supports them in HRD initiatives that are consistent with its objectives. For example, the Laos – Australia Rural Livelihoods Program (LARLP), a four-year program due to commence in the near future, will establish a Rural Development Learning Facility to support learning and knowledge generation across AusAID's rural development portfolio through research, evaluation, knowledge management and dissemination of results and findings. The Learning Facility will also contribute to capacity building and policy development within government and non-government organisations. Where any of the HRD approaches used by the program (such as AAS and AAF) can contribute to capacity building, LARLP will be encouraged to optimise them.

The Australian Government also supports human resource development in priority areas supported by Australian Education International (AEI), the Department of Foreign Affairs and Trade (DFAT), the Department of Immigration and Citizenship (DIC), the Australian Federal Police (AFP), and the Department of Defence. Representatives from these Australian whole-of-government agencies have been consulted throughout the design process and have expressed interest in coordinating with the program where their current priorities align with program components (such as English language training).

AusAID will advise the FMC when its assistance is required to coordinate or delivery HRD services on behalf of other Australian whole-of-government agencies – and which remain consistent with the program's charter.

The program may also be asked to manage other additional funds that become available for HRD in Laos. Consideration will need to be given to the criteria against which additional funds are assessed for consistency with the intentions of the program, otherwise there is a significant risk that the program will end up carrying out functions that are inconsistent with its objectives; and by default become a site for management of additional funds which will inevitably draw resources away from its key functions.

Where additional funds consistent with program objectives are provided, the FMC will liaise with AusAID on related resource demands that will result from these additional responsibilities..

4.4 Facility management

4.4.1 Managing contractor model

A Facility Managing Contractor (FMC) will be selected and adequately resourced to meet the challenges of this program. A *possible* structure of the FMC and key international positions (Facility Director; HRD Manager; Awards Manager, M&E Specialist) are specified in this design (with position descriptions). The program will operate from a dedicated facility in Vientiane, promoted and badged as a focal point for HRD services and issues, and to maximise visibility for Australian development assistance in Laos.

⁶⁵ It is important that the appointed Facility Managing Contractor liaise closely with ADB in regard to any Program initiatives involving MoHA & MoES, to ensure that there is no duplication of effort by either donor, and that harmonisation is encouraged.

The FMC will appoint appropriately skilled national and international staff to implement the new program. The FMC team will possess skills and experience in development assistance, award policy and administrative management; human resource development, including training needs analysis and HRD planning; systems management and administration; communication, presentation and public relations; financial management; program management and planning with an emphasis on analytical reporting, monitoring and evaluation, innovation and improvement.

Human resource development skills will be an essential requirement to plan and assess HRD approaches and to support and manage alumni reintegration processes. Cross-cultural competence and HR management skills will underpin all other skills for all staff, as the Facility delivers its activities.

In managing the Facility, the FMC will focus firmly on achieving the objectives; to be successful, it will require:

- standardised systems to deliver approaches such as AAS, SCA and LANS, which depend on annual cycles of activity;
- strategic, flexible and coordinated management of HRD in response to TNAs and HRD plans for targeted organisations;
- a broadening of student learning and pastoral care processes, as appropriate, across the new HRD approaches;
- processes to develop and manage relationships with a variety of stakeholders including:
 - Lao organisations involved in the Facility, as a basis for clear understanding of and strong engagement with HRD and related service delivery;
 - managers of HRD programs delivered by other donors; and
 - service providers from within Australia and Laos, and regionally;
- a robust M&E response as the basis for an evidence-based decision-making and engagement with stakeholders;
- capacity to manage risks associated with administering multiple HRD approaches; the challenges associated with a flexible and responsive program; and to control expectations of ministries and other (actual and potential) participating organisations.

This design emphasises the importance of a flexible learning approach to implementation. While it will continue to use a number of standard scholarship approaches to deliver individual HRD, it will use a combination of selected approaches to respond to the HRD needs of organisations. The selection will align with the findings of TNAs and resultant HRD Plans; they will be piloted, and any necessary changes will be made as evidence is gathered.

Continuing with HRD approaches provided historically will deliver continuity and reassure counterparts who value these approaches; and the inclusion of new approaches in a learning cycle will, it is anticipated, assist the meeting of program objectives as well as support changes in the nature of engagement between AusAID and the Government of Laos.

The Lao HRD Program is not about delivering a standard product; it is about flexible and responsive management. Accordingly, the FMC will need to establish and use processes which achieve this continuously.

Nevertheless, the FMC can expect and will require on-going support from senior Post personnel to ensure that external pressures to expand program activities are managed. In particular, AusAID at Post will need to support the Ambassador's role as Co-Chair of the High-Level Advisory Council, and ensure that the Head of Mission is regularly briefed on, and involved in, overall program strategic direction-setting, which supports a manageable and realistic program able to achieve its objectives.

4.4.2 Technical advisors (TA)

When requested by an agency or organisation, an adviser (TA) with a targeted and measureable set of duties can add considerable value to other interventions. In Laos, technical advice will be essential

initially in determining the training needs of individual ministries or sections of ministries. In these cases,⁶⁶ it is anticipated that initial input could be short term, involving an initial period of TNA.

Following the completion of the initial TNAs, it may be more appropriate to mobilise long-term advisers, to work with and establish a strong partnership with the agency or organisation to develop HRD plans. Depending upon resources available, subsequent shorter inputs on an annual basis could be used to review and redevelop (where necessary) existing HRD plans.

Other technical advice may be required as a flexible HRD approach, where a workplace-based technical adviser could engage with a work unit to develop specific functional skills; and determine training programs necessary to roll them out.

Again, the FMC will scope the deliverables of the input, manage the process of mobilising advisers; and quality assure their work. Regardless of the duration of the technical input, the FMC will ensure that a strong case is made with participating agencies and organisations for this type of input, including why it is superior to other potential approaches.

4.5 Program steering and consultative structures

Two consultative structures are proposed to support effective, collaborative and transparent management of the Lao HRD Program.

- To ensure appropriate Laos-Australia protocols, a *High-Level Advisory Council*, with structure and functions as outlined below, will convene annually.
- A *Program Steering Committee*, to be chaired by an AusAID senior level representative, will meet biannually to consider the broader policy directions of the program. The membership and roles/responsibilities of this Committee are specified below / over.

Figure 10: Collaborative governance arrangements with the GoL

<i>High-Level Advisory Council</i>	
Membership	<ul style="list-style-type: none"> ▪ Head of Mission, Australian Embassy, Vientiane (co-chair) ▪ Minister, MPI (co-chair) ▪ Counsellor (AusAID), Australian Embassy, Vientiane ▪ Vice Minister, Ministry of Education & Sports ▪ Vice Minister, Ministry of Home Affairs ▪ President, Lao Chamber of Commerce and Industry ▪ Representative of Lao National Assembly
Meetings	Annual
Roles and responsibilities	<ul style="list-style-type: none"> (a) Review (overall) program progress (b) Provide advice related to addressing policy or cross-sectoral issues – at a strategic level (c) Award “Alumnus of the Year” (following advice from <i>Program Steering Committee</i>) (d) Sets strategic directions for AusAID’s Lao HRD Program
<i>Program Steering Committee</i>	
Membership	<ul style="list-style-type: none"> ▪ AusAID’s Counsellor (co-chair) ▪ Vice-Minister of MPI (co-chair) ▪ Director General, Ministry of Education and Sports ▪ Director General, Ministry of Home Affairs ▪ Rektor, National University of Laos ▪ (As invited for specific purpose / meeting: representatives of specific GoL agencies or NPAs, representatives from other major HRD donors) ▪ Facility Managing Contractor (as Secretariat)
Meetings	Twice yearly (every six months)
Roles and responsibilities	<ul style="list-style-type: none"> (a) Provide policy guidance (b) Approve four-year rolling plan, budgets and reports (c) Review implementation progress and results

⁶⁶ Advisers may be involved in other aspects of capacity building, at subsequent HRD mechanisms are introduced

- (d) Recommend "Alumnus of the Year" to *High-level Advisory Council*
- (e) Identifying membership of Joint Selection Panel (JSP)
- (f) Receiving (from FMC) financial reports
- (g) Coordination of program implementation across all program activities and functions

4.6 Policy dialogue

Effective, transparent and outcomes-focused *policy dialogue* has been a continuing feature of Australia's bilateral relationships with Laos. In determining the nature, scope and structure of the Lao HRD Program, the perspectives, baselines, and expectations of both countries has been paramount. The principles of the *Paris Declaration* (2005) have provided the framework within which the program has been designed:

- ownership
- alignment
- harmonisation
- results
- mutual accountability.

AusAID has used effective policy dialogue to explore with Lao Government representatives appropriate strategies to implement policies to encourage sustainable and equitable growth, achieve greater budget efficiency, and ensure multiple stakeholders have opportunities to voice their opinions.

Australia's respected role in supporting development priorities of Laos is highly valued amongst senior Lao Government officials, and this relationship, built on mutual trust and acknowledgement of each partner's strengths and weaknesses, has assisted in confirming Australia's position as a favoured donor.

However, while acknowledging this beneficial position, AusAID will need to continue to dialogue and work with the Government to ensure that agreement is reached across all levels – and with other donors. The planned Education Sector Working Group, which Australia will co-chair, is an effective, new strategy to support this continuing dialogue.

In managing the Lao HRD Program, the Facility Managing Contractor, through AusAID, will support all four "predicated" roles, (as identified in the AusAID paper "ODE policy dialogue evaluation"⁶⁷). The relevance of each of these roles for the program is indicated below:

External / Technical adviser: *The external advisor sits politically distant from the recipient government as their technical assistance and they are not acting within their own organisation's political interest.*

The experts to be appointed as part of the Lao HRD Program facility's permanent complement will undertake this separated role.

Internal adviser: *The internal advisor sits within the recipient government and interacts on a frequent basis... The exchange of skills is set by the principal's agenda.*

Short- and long-term consultants appointed by the MC to undertake specific tasks (e.g. TNA, HRD planning, training) will assume this role.

Diplomat: *The diplomat has the mandate of influencing the principal's policies in favour of the donor's agenda.*

AusAID Post staff will be responsible for ensuring that the policies relevant to HRD development in Laos are appropriate to, and support Australia's agenda for the country and region.

Advocate: *Special interest groups are working in high self-interest while have little direct influence over the principal government.*

AusAID will need to manage this role carefully and productively, particularly as there is a strong program focus on civil society organisations; strategies will need to be

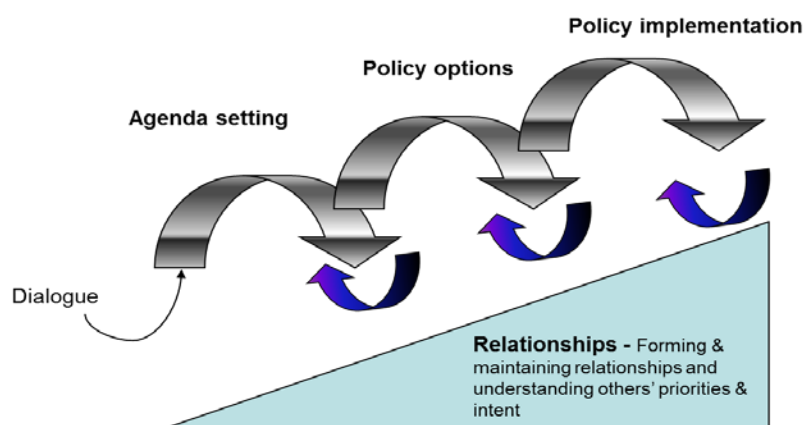
⁶⁷ McCullough, Tsui, et al, *Review of Literature and International Practice in Policy Dialogue*, AusAID, 2011 (2.2.3)

developed which ensure an appropriate level of advocacy group coordination and a continuing productive dialogue between such organisations and the relevant Lao Government agency.

The existing productive relationship between the Government of Laos and the Government of Australia across all the sectors identified in the country strategy needs to be managed to ensure continuing policy dialogue to support the continuing success of the Lao HRD Program, and to create an environment which encourages greater sustainability.

The continuing need to “service” this relationship is demonstrated by the diagram below / over.⁶⁸

Figure 11: Broad approach to successful policy dialogue



A primary function of the policy dialogue approach in Laos will be to ensure continuing discussion and progress relating to specific policy and implementation issues associated with Objectives 3 and 4:

- *To improve participation of women in leadership and management roles; and*
- *To increase the capacity of people with disability, disabled persons' organisations, and organisations involved in disability-inclusive development.*

Furthermore of major importance is the need to ensure continuing policy dialogue which ensures the implementation and monitoring and evaluation of the Lao HRD Program as a whole. Ensuring component connectedness and a clearly coordinated approach to meeting emerging priorities and challenges, open and productive strategies and approaches must involve both the Government of Laos and the Government of Australia as partners. This is particularly significant when determining approaches to engaging with sub-national agencies and organisations – within available Lao HRD Program capacity and resources.

⁶⁸ *Theory of Policy Dialogue Success: Policy Dialogue Evaluation Working Paper* September 2011 (AusAID, 2011)

4.7 Sub-national engagement

A manageable and realistic approach to the challenge of meeting both national and sub-national needs must keep in mind the relatively limited resources available to the program to address HRD; the wide-ranging functions performed by ministries, with, for example, MoES having multiple departments, and multiple levels in line agencies with provincial and district offices and numerous schools. It is simply not possible to service a comprehensive whole-of-country HRD Plan for MoES, when the vast number of employees, with different responsibilities across so many locations, is considered.

Other ministries, such as MoHA, are more central agency in function, and, although they do provide training for civil servants at the sub-national level, and maintain a department office in each province, their sub-national capacity is limited. Any HRD scoping and planning within MoES and MoHA must take into account the above constraints (and any concurrent agency initiatives being implemented by other donors), and allow for the additional challenges (and costs) associated with sub-national delivery.

In the long-term, if program objectives are to be met, AusAID will need to determine a confirmed budget allocation to plan for and implement cost-effective and budget-determined HRD activities, beyond the central level. However, any sub-national implementation or HRD support must be based on realistic and informed strategic and operational planning.

The Lao HRD Program will need to target within as well as across agencies to deal with this challenge. At start-up stage, facility management should meet with heads of targeted organisations to identify key functions that involve all different levels, and which have critical need for HRD. The process will also clarify whether it is necessary to stage HRD to different provinces and districts, to make it manageable; and, for example, whether to combine HRD for different levels - or not.⁶⁹

⁶⁹ Such an approach will control scope; and will enable the piloting of some approaches as a way of learning what works best in the particular ministry context. Also implicit in this approach is consideration of the need to manage expectations and to achieve some early successes. At mobilisation, the Facility Managing Contractor (FMC) should meet also with other donors supporting provincial and district engagement to identify the issues and most effective approaches to working at these levels.

5. PROGRAM VISIBILITY & SUSTAINABILITY

5.1 Program visibility

The Lao HRD Program presents an innovative opportunity to optimise public diplomacy outcomes, both in Laos and in Australia. Objective 6 of the design seeks to *improve recognition and acknowledgement, by the Government of Laos and participating organisations, of Australia as an active and responsive partner in the human resource development of Laos*. Although no specific components have been allocated to this objective, it is clear that achieving positive outcomes in this area will require a cross-sectoral and cross-component approach; all components and delivery mechanisms must seek and implement strategies to achieve greater visibility for Australia in its role as a partner with the Government of Laos.

As noted in Section 7.8, the Facility Managing Contractor (FMC) will be required to report regularly on communications activities and outputs. These reports must extend well beyond a quantitative document listing promotional activities completed, number of web-hits, and inquiries to which responses have been completed.

Communications reporting will need to identify strategies for improving the public diplomacy outcomes for the Government of Australia; program awareness-raising strategies to be implemented nationally and sub-nationally; and a thorough analysis of other effective - and less-effective - public relations strategies implemented.

Standard communication approaches such as face-to-face meetings and briefings with key or influential Lao decision makers should be a significant mechanism to encourage greater program visibility; and the potential for the program to partner with Lao Government agencies, CSOs, the private sector, and higher education institutions in appropriate promotional and communications' activities will need to be investigated.

Social networking communications are an increasingly important aspect of Lao society; the FMC will identify appropriate strategies which can make the most of technologies such as Facebook and Twitter. Other (non-usual) channels of communication, both in Laos and, will also need to be investigated, and used, including:

- Third-party websites;
- Subject / project profiles (e.g. of a student, or a supported project, or a training activity)
- Personal impact statements (e.g. single page with photos of how someone's life has been personally impacted by the Lao HRD Program);
- Newsletters (email or hardcopy);
- Published reports on the program in relevant on-line journals;
- Seminars / training / information sessions, via teleconferences or *Blackboard*; and
- Podcasts /videocasts.

As noted earlier, the program design involves a "facility approach". Negotiations with the Lao Government have identified a highly visible, stand-alone building which will not only provide an appropriate centre for all program activities, but also will demonstrate clearly to the people of Laos the Australian Government's commitment to assisting their development in the long term.

The proposed facility had been used some years ago to deliver an English language program funded in part by Australia, and is currently functioning as a language centre and resource centre, managed by MoES. The internal renewal of the current building, at a very modest cost, will offer substantial public diplomacy outcomes for Australia.

5.2 Program sustainability

Any effective HRD program is, in itself, a sustainability strategy. The major purpose of the Lao HRD Program is to build the capacity of individuals and organisations so that the skills learned and experience gained can contribute to sustainable and equitable development in Laos.

Unless carefully managed and monitored, as noted earlier, the program has the potential to become involved in activities not specifically aimed at meeting its goal or objectives. The activity-specific

questions below provide a checklist for assessing the potential level of sustainability (or otherwise) of any proposed activity within the Lao HRD Program:

- (a) Will those being affected by the activity genuinely commit to participate in planning and in assessing outcomes?
- (b) Will the management systems being put in place efficiently administer the activity, and are they able to be easily adjusted when change is needed?
- (c) Is the proposed activity based on a sound financial analysis – and will there be alternative, assured sources of resourcing once the donor support is complete (e.g. self-generated, private sector)?
- (d) Are there mechanisms for incorporating Lao HRD Program activities into the structures, budgets and accountabilities of participating organisations?
- (e) Will the key people in Government ministries and participating CSOs who will take over responsibility for developing HRD plans have the skills they need to succeed, and will they be linked into an appropriate support network - local, national or international?
- (f) Does the design of specific program activity take into account the prevailing social, cultural and gender perceptions or beliefs operating within Laos or within the agencies and communities being supported?

The design for the Lao HRD Program emphasises capacity building, through its focus on education and training. To assist with sustainability, the facility will encourage local ownership of processes, programs and relationship building, within an effective policy dialogue setting. This should also involve an increasingly reduced profile for FMC personnel and a correspondingly increased profile for ministry personnel and CSO representatives themselves.

This shift also entails a greater emphasis on higher-level relationships, and better alignment with existing Australian Government and other donor-funded programs and systems - to encourage an outputs-based aid approach – and thus greater potential for assuring sustainability.

6. CROSSCUTTING ISSUES

6.1 Gender – Implementation across the Lao HRD Program

Working toward greater gender equality will remain a primary focus of the new AusAID Lao HRD Program. It is recommended that the program targets support at two levels, namely, (a) capacity development for women at an individual level; and (b) capacity development at an organisational level to strengthen key national gender-specific institutions, in order to achieve the objective of improving participation of women in leadership and management roles.

(a) At the individual capacity development level, the HRD Program will support women through the existing mechanism (AAS/AALP, Pre-AAS, LANS and AAF), as well as other additional capacity development mechanisms, such as SCA, STT and English language training.

During the implementation of the HRD Program, it will be important to ensure that both men and women have equal access to HRD support initiatives in order to counter the lack of higher-level education, restricted traditional beliefs and cultural barriers, and the fact that women tend to have less access to professional development and further education opportunities. Placing an increased emphasis on providing training and capacity building opportunities for women, and maintaining the gender balance among scholarship offers, will ensure that women receive increased capacity building support.

The HRD Program should focus on identifying gender-sensitive promotional strategies in order to attract more women to apply. Promotional materials will include illustrations or clear message where females are prominently featured, and the language used will be simplified and tailored to encourage women to apply. The promotional material or information on scholarships or training opportunities will be widely distributed, particularly to gender specific institutions or organisations where women are more likely to have access to the information⁷⁰.

The distribution of information will also target sub-national institutions or organisations where women, particularly in rural and ethnic communities, tend to have less access to information, hence fewer opportunities. Female alumni, particularly those from provinces, should be engaged to assist in the promotion activities.

The AAS targeting approach will emphasise a gender balance in the nomination and selection processes, and this will be closely consulted and coordinated with the partner government. The FMC will conduct a consultation workshop with target institutions and government ministries to discuss and agree on an equitable nomination and selection processes (e.g., including female representation in the selection panel). A robust re-entry action plan with a consideration of gender equality will also be discussed in order to ensure that women will not be disadvantaged when returning to their work places. The *Program Steering Committee* will then endorse and review the process annually to ensure it meets the needs of both men and women equally.

Gender-related courses or workshops, such as gender awareness or women in leadership should be included in options for professional development and should also continue to be part of alumni professional development. These activities should include both male and female participants.

(b) At the organisational capacity development level, the HRD Program will support the institutional capacity development of the Lao NCAW, which is the main government body actively working in gender mainstreaming at all levels, to advance gender equality. As one of the target institutions, the Lao NCAW will also benefit from the existing scholarships program (AAS/AALP, and pre-AAS). Other capacity development support proposed includes a training needs analysis that identifies the capacity gap and the priority needs of the institution. This will provide a basis to determine the scope of other capacity development support that the HRD program will provide, and will also contribute to the improvement of the HRD plan of the participating Lao institution itself.

⁷⁰ LASP Gender Strategy

Based on the needs identified, volunteer placements, either short- or long-term, will provide additional technical support to the institutions, as well as build individuals' capacities as part of the support to the institution's HRD plan.

Short Course Awards (SCA), which are tailored to the organisation's technical capacity needs, will be an effective response to urgent needs, as they arise. Despite LaoNCAW's important responsibility in promoting the advancement of women in the country, the organisation has significantly fewer resources (including both financial and human resources) to implement their mandates. Short-term training (STT) in both technical and general management areas will also complement and enhance the institution's capacity.

English language training is another area of support that will assist the LaoNCAW in progressing with their work. As the government's focal point and the coordination body for international conventions to promote gender equality and gender mainstreaming, LaoNCAW has expressed an urgent need for English language training to be able to communicate, write reports and to represent the country in international conferences and workshops where English is the primary language used.

The level of engagement with LaoNCAW will depend heavily on its ability to absorb capacity development support - an assessment to be determined by the TNA.

In the HRD program management in general, gender will also be considered in every aspect of program implementation and management as outlined below⁷¹:

- The FMC gender advisor will conduct further gender analysis to inform a gender plan for the program.
- The Facility Managing Contractor (FMC) will commit to gender equality as part of personnel selection.
- The FMC will allocate a part-time (0.5 FTE) Gender Advisor to be responsible for gender strategy of the HRD Program and to review the strategy from time to time. The Gender Advisor will also give advice to the *Program Steering Committee*, in relation to gender issues.
- The FMC will report to the *Program Steering Committee* on how they have supported gender integration, as part of the FMC performance monitoring.
- The program M&E framework will articulate how gender equality results will be measured and reported using gender-disaggregated data; and whether gender inequality could undermine sustainability of the activity.
- The detailed risk management matrix developed by the FMC after mobilisation should consider whether gender inequality could constrain progress towards achieving the goal and objectives of the initiative.

6.2 Disability – Implementation across the Lao HRD Program

AusAID has determined that the HRD Program is an appropriate mechanism to support further work in disability-inclusive development in Laos. This is based on a pressing need for capacity development support for people with disability, disability-specific and mainstream institutions and the importance of balancing this against feasible management arrangements for AusAID. Inclusion of a focus on disability-inclusive development was incorporated into the *Concept Note*, and has been an on-going driver during the design process for the HRD Program.

The Lao HRD Program will prioritise support to disability-inclusive development, by focusing on three approaches as described below.

Approach 1: Individual capacity development opportunities for people with disability

People with disability have less access to professional development opportunities compared to the general population as a result of stigma, discrimination and inaccessible education services. Affirmative action, through the provision of targeted and dedicated opportunities for people with disability to develop skills and experience, will help to break the cycle of exclusion and poverty.

⁷¹ Guideline: Integrating Gender Equality into Aid Activity Design, AusAID (2011)

When coupled with the provision of support to the education sector, this approach will enable AusAID to contribute towards educational opportunities for Lao people with disability across their lifetime, from early childhood care and development, basic education (and, depending upon the scope of future education sector support, upper secondary). Professional and skills' development for people with disability within the HRD Program will encompass three approaches / mechanisms:

1. *Australia Awards Scholarships (AAS) and Australia Awards Leadership Program (AALP)*. The HRD Program will implement guidelines on disability-inclusive scholarships programs (forthcoming), as well as consider providing under-graduate AAS/AALP for people with disability (as under-graduate tertiary study in Laos PDR will be inaccessible for some people with disability).
2. *Laos National Scholarships (LANS)* AusAID will identify and provide dedicated scholarships for people with disability to study at national universities. When combined with the possible under-graduate AAS/AALP opportunities, AusAID will reduce barriers for people with disability to successfully apply for post-graduate AAS/AALP.
3. *Scholarships for alternative professional and skills development*. Such scholarships could include support for English-language training, financial literacy (a key component of AusAID's new *Rural Development Delivery Strategy*) or technical and further education (TAFE). This mechanism recognises that many people with disability will be unable to undertake tertiary level study, with second chance/non-formal learning providing the best opportunity to improve their lives.

Providing dedicated individual opportunities raises potential challenges concerning eligibility, scope and funding for Australia Awards' scholarships. As such, the HRD facility will undertake a scoping study to inform the detail of mechanisms.

Approach 2: Enhanced capacity development support for key disability-specific institutions

The broader Lao HRD Program will include the provision of more comprehensive support to priority institutions. In recognition of the key role that both LDPA and NCDP play in disability-inclusive development, both institutions are listed as priority organisations⁷² for enhanced capacity development support.

It is expected that the scope of this support will be assessed by experienced Australian volunteers placed within both institutions, working in partnership with dedicated HRD advisory capacity within the facility. Long-term volunteer placements are expected to provide a more comprehensive and nuanced assessment of HRD needs, as opposed to short-term HRD advisory inputs. A HRD plan for each institution will be developed which identifies existing HRD mechanisms, such as tertiary scholarships and Australia Awards Fellowships (AAF), and other potential opportunities, including study tours within the region.

However, HRD capacity is not the only factor affecting the effective operations of these two institutions: financial support to assist the key disabled person organisations to operate more effectively is a critical component of institutional capacity building. The Facility Managing Contractor will assess the extent and nature of such support and prepare a proposal for consideration by AusAID and partners.

In addition to the two institutions above, AusAID will prioritise support for the rehabilitation sector under this approach. This recognises that people with disability may require rehabilitation services in order to participate in other development process, and as such is a critical foundation. It will also provide an opportunity to build on and enhance the sustainability of support currently provided through the Cooperative Orthotic Prosthetic Enterprise (COPE).

As many rehabilitation services are managed within the health sector (a sector that AusAID does not prioritise for support in Laos, under the current Australia Laos Development Cooperation Strategy 2009-2015, and the need for the HRD Program to maintain a reasonable scope, it is not practical for AusAID to support a comprehensive HRD needs assessment of the rehabilitation sector. Rather, the

⁷² Note that LDPA is specified as a LAO HRD program Target Group 1 organisation.

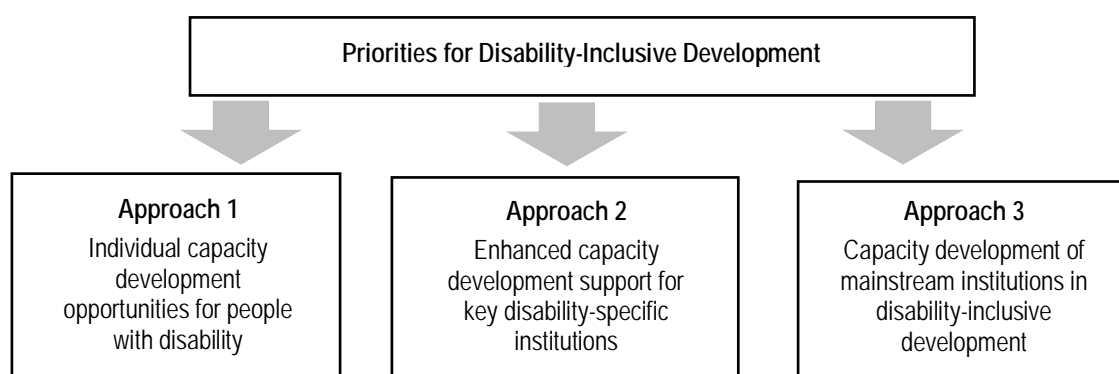
HRD program will need to work in partnership with WHO (which is expected to support this assessment over the coming year/s).

The Lao HRD program will therefore be able to respond by opening up relevant and appropriate opportunities as identified subsequently by WHO. This could include, for example, placement of an experienced Australian volunteer to assist with the upgrading of physiotherapy curriculum and scholarships under-graduate study for rehabilitation professionals in the region (in particular, in Thailand).

Approach 3: Capacity developing for mainstream institutions on disability-inclusive development

Approach 3 of the disability-inclusive development approach recognises that, in order for MoES to ensure that children and people with disability are included in and benefit from their programs, they also need improved human resource capacity. Disability-inclusive education will therefore be a specifically referenced component of broader MoES HRD capacity needs assessment and support. In the first instance, this will be supported by planned AusAID-funded advisory support working in partnership with dedicated HRD advisory capacity supplied by the program.

Figure 12: Disability-inclusive development approaches within the Lao HRD Program



The detail of these three approaches will be determined during an inception phase which will include the scoping study for Approach 1 and engagement with the Australian volunteers, advisors, and WHO for Approaches 2 and 3. This will inform the development of a *Disability Inclusion Plan* for the HRD program. The facility will also work to ensure an active and central role for people with disability, and the participation of other relevant stakeholders in developing and implementing this plan.

To facilitate this, the managing contractor will allocate dedicated resourcing (at minimum, 0.5 full-time-equivalent (FTE)) program management staff, with specific responsibility (supported by other Facility personnel, and other mechanisms as determined) for the program's disability management and capacity building responsibilities.

6.3 Anti-corruption

Both the Government of Laos, and the international community recognise the debilitating effects of corruption, and that allegations of corruption are significant contributors to the breakdown of community confidence in and support for the government and the development agenda in Laos.

In February 2011, the Lao Government approved (in principle) an anti-corruption strategy for the 2011-20 period, in a bid to ensure transparent administration. The draft strategy stipulates principles, methods and steps on anti-corruption and corruption prevention. The Lao Government has also ratified the United Nations *Convention against Corruption*.

The HRD Facility will continue to support the anti-corruption strategy by being transparent and accountable in its own operations and by advocating and practicing transparency and accountability in the implementation of activities with partner ministries.

This will be achieved by:

- Using Facility procurement processes that are consistent with *Australian Government Procurement Rules* for both Lao Government initiatives with which it is involved, and in the implementation of any AusAID-determined initiatives. The key principles of these rules are: value for money; efficiency and effectiveness; and accountability and transparency;
- Using procurement procedures that are consistent with international standards of honesty and probity, will reinforce the principles of the *UN Convention Against Corruption*, and contribute to strengthening the capacity of ministry staff involved in procurement;
- Ensuring that the selection and recruitment of participants and personnel for implementing all Facility mechanisms, and setting remuneration as applicable, are done on the basis of merit and comparative salary principles, and, where required, accord with AusAID's Adviser Remuneration Framework (ARF);
- Ensuring all Facility staff are aware of their responsibilities for fraud prevention and detection according to the procedures set out in a fraud policy in an *Operations/Procedures Manual*, and ensuring that action is taken in cases of suspected, reported or detected fraud;
- Where appropriate, developing activity-specific risk mitigation measures for individual HRD activities; and
- Fostering and maintaining high standards of ethical behaviour in all Facility operations.

Consistent application and reinforcement of the underlying anti-corruption principles and specific measures, particularly during the implementation of activities, will have a positive impact on the Lao Government's efforts to combat corruption. It will also provide a positive example of appropriate and effective operational business practices – and is, of itself, a capacity building exercise for ministry staff in practical anti-corruption efforts and measures.

6.4 Child protection

Given the nature and clients/stakeholders for most of its programs, the Facility activities are unlikely to present issues related to Child Protection. However, should any issues develop during its activities, the Facility Managing Contractor will be aware of its legal obligations, while all Facility personnel are expected to be personally and professionally committed to advising AusAID agencies immediately of any concerns.

Nevertheless, while noting the limited potential for any form of child abuse in its activities, the Facility will be fully committed to protecting children from abuse of all kinds in the delivery of Australia's overseas aid program; and as such, will adhere to AusAID's four guiding principles of:

- zero tolerance of child abuse,
- recognition of children's interests,
- sharing responsibility for child protection,
- use of a risk management approach.

Accordingly, the appointed FMC will be expected also to maintain a zero tolerance policy in relation to child abuse, including unacceptable behaviour directly involving children or observed by children, and any form of child pornography.

The FMC's policy will apply to:

- all management and staff (employees) engaged whether permanent, casual, or on a fixed-term contract basis, whether operating from a Facility office or program site, in their own residence, and whether travelling on behalf of the FMC or on any form of leave from the company;
- staff of any subsidiary on the above basis;
- staff of any CSOs participating in HRD activities;
- staff of an associate, subcontractor, or consultant in a joint venture or association to provide services to a client;
- staff of support services used on a regular basis;
- dependents or partners or those living with employees of the Facility;
- volunteers associated with any Facility HRD Program in Laos.

The HRD Facility staff and international consultants may need to complete a Government of Australia "Working with Children" check, prior to appointment. Furthermore, the FMC will consistently

monitor compliance with AusAID's child protection standards, through strategies including performance assessments and reviews; and through spot audits of program resources, materials and information technologies.

6.5 Environmental management

The appointed FMC is expected to be fully aware of, and responsive to, the 2003 AusAID document: *Environmental Management Guide for Australia's Aid program*, which provides for the assessment, management and mitigation of potential environmental impacts to be incorporated into Australia's aid activities. The guide also requires that partners in the delivery of the aid program implement the assessments and measures needed to manage the environment.

Although it is unlikely that the Facility's responsibilities will involve activities and projects with significant environmental impact, five key issues/questions that must be addressed when implementing any infrastructure development activities may have relevance for this activity, and therefore must be considered FMC personnel when planning and monitoring activities:

- Are any HRD activities likely to result in construction or related impacts in specific environmentally sensitive locations or sectors?
- Could the activities have significant long-term negative environmental impacts?
- Is there potential for any *subsequent outcomes* of the planned activities to have an impact on the environment?
- Is any explicit, or implicit, aim of the activity likely to have a *positive* environmental impact?
- Is the overall activity relevant to any multilateral environment agreements?

While acknowledging the need to be aware of the above five issues, as noted above, any planned HRD activities are unlikely to have environmental impact, and therefore, basic appropriate mitigation measures to address any negative impact will be determined and implemented by the FMC, on a case-by-case basis.

6.6 Governance

The implementation of the Lao HRD Program will model good governance in public sector programs and thus improve institutional planning and review through the demonstration of effective and successful agency governance, planning assessment and review strategies.

Further, during implementation, the program will continue to collect and analyse local data on governance and management, and will optimise cutting-edge learnings from AusAID's governance section, and the Australian Leadership Award (ALA) component and workshops of the AALP. It will also maximise the potential application of emerging, appropriate strategies being implemented nationally and regionally by the private sector.

7. MONITORING & EVALUATION

7.1 Basic approach

The approach to monitoring and evaluation provided by AusAID's Scholarships Section guides M&E for scholarships and fellowships in Australia, and is a key resource for M&E in the program.⁷³ While the program has a wider range of HRD approaches than those dealt with in the guidance identified above, the overarching objectives are consistent, and key questions⁷⁴ to which scholarships' programs are required to provide evidence-based answers are equally applicable to the program.

There is a critical need to define clear and practical objectives for the program - and M&E frameworks must be able to demonstrate effectiveness beyond basic output and process measures. The program will provide data on an on-going basis against agreed outputs and outcomes, drawing on implementation records and reports, such as the OASIS database; generating and collecting outcomes-level information through reports provided by beneficiaries on the impact of their HRD experience on work-related performance/ achievement; and other evaluation mechanisms. This methodology draws on the reintegration planning concept developed within scholarships programs and generalises it across HRD approaches.

Monitoring and evaluation in the program will do the following:

- (a) Measure program outputs, outcomes and impact;
- (b) Provide data to assist the program to manage and assess what worked or didn't and why, to inform decisions on the way forward ; and
- (c) Support program reporting requirements, including both periodic reports and *ad hoc* requests for information.

The program will deliver HRD mechanisms related to individuals, Lao government ministries, training institutions and other institutions at the national level, and at the sub-national levels where capacity exists. It will also deliver some of these mechanisms through sub-contracted providers in both Australia and Lao There is therefore a potential to construct an overly complex and demanding regime of M&E that would be difficult to complete. Nevertheless, it is expected that the program will manage a process of comprehensive M&E in relation to specified categories of the program and use sampling approaches in other categories; and that the M&E Framework developed by the FMC will achieve this balance.

7.2 M&E platforms

The delivery of the program of M&E within the program is based on the following platforms:

- A theory of change which links and justifies inputs, outputs and outcomes against the objectives and goal;
- A logical framework which specifies output and outcome performance indicators and means of verification;
- Well-developed approaches to measuring effectiveness;
- A *Management Information System* which supports management of delivery of the HRD approaches, providing standard management records, and services indicators in the logical framework; and
- A *Reporting Framework* which ensures that reports necessary for management and accountability purposes are prepared.

⁷³ *Introductory Guidance on Monitoring and Evaluation for AusAID Study & Professional Development Award (SPDA) Programs*, March 2009.

⁷⁴

- (a) Is the program on track to achieve selected output targets in regard to each relevant objective?
- (b) Are awardees satisfied with selected aspects of their award-related and personal experiences, both in-country and in-Australia?
- (c) Are Higher Education Institutions/Australian Host Organisations meeting their Key Performance Measures?
- (d) Are key milestones of employee reintegration plans (or workforce integration plans) being met in regard to each relevant objective?
- (e) Are alumni contributing to the development of their home country or developing countries of their region in regard to each relevant objective?
- (f) Are alumni maintaining linkages with Australia and networking with other awardees?
- (g) Have alumni strengthened capacity of their organisations to contribute to the development of their home country or developing countries of their region in regard to each relevant objective?
- (h) Have awards promoted gender equity or other relevant cross cutting issues?

These platforms enable evidence to be collected in relation to outputs and outcomes, and consideration from time to time of whether the rationale is robust and fit for purpose or needs to be adjusted. They provide: the technical basis for consistent and replicable monitoring and reporting; the rationale and guidance for an evaluation plan that will ensure that outcomes and impact are evaluated to an appropriate level; information technology that will ensure coordination and efficiencies in data entry, management and analysis; and reports needed by stakeholders.

7.3 Theory of change

7.3.1 Introduction

The program theory of change has been developed to enable stakeholders including technical professionals, government officials and users of the HRD Program to understand the rationale of the program *vis-à-vis* its expected impact at individual and organisational levels.

The theory of change is presented in two forms, each contributing to an understanding of the logic of the program and to different parts of the design document. They comprise:

- (a) A list of main assumptions on which the strategy for the program is based, to ensure that the program goal and objectives are achieved. This list is found at Section 4.2. It has been included in the program description along with the goal and objectives, as it is an essential driver of strategy;
- (b) A flowchart, which includes outcomes in a simple representation the basis for communicating with stakeholders. The flow chart is included in Section 3.1 above.

7.4 Logical framework

The approach taken in constructing this framework is to relate outputs monitoring to the cycle of activities within each HRD approach and provide indicators for this; and to develop an outcomes framework for each objective. The outputs matrix lists the indicators required for all awards activity, but does not provide indicators for TA and Linkages/MoU. They are forms of HRD which are not based on individual study or training. The FMC will need to develop M&E approaches for each of these to identify a limited number of output indicators.

7.5 Measuring effectiveness

The program's objectives relate to HRD for individuals and organisations, in seeking to increase individual capacity and strengthen management and service delivery amongst organisations. The extent to which individuals and organisations change as result of these inputs, and how these changes lead to improved development outcomes are the focus of measuring outcomes and impact.

M&E for effectiveness will consider the individual beneficiary; changes in organisational variables involved in human resource management; and the alumni association. The FMC should also consider thematic evaluations that enable examination of a wider range of issues.

7.5.1 Work Plans on Return

Work Plans on Return (WPR) are a fundamental monitoring and evaluation tool for informing impact assessment in the Component 2 program. Participation in program activities is predicated on organisations and individuals understanding that the scholarship, training program or other experience they are involved in is provided so that they are able on return to complete a set of tasks - which are part of a broader organisational plan.⁷⁵

Beneficiaries will generally be required prior to training to complete a *WPR*; to have this plan signed off by their supervisors; to review the *Plan* during their period of training; and to implement the tasks contained in the *Plan* when they return to their workplace. Where participants are part of a group from one organisation, the *WPR* may be a work unit plan involving numbers of individuals. Beneficiaries will report on progress against their *WPRs* at scheduled periods.

⁷⁵ In the first year of implementation, the Facility Managing Contractor will develop a detailed monitoring and evaluation framework (MEF) for Target Group 1 organisations, based on HRD plans.

7.5.2 Targeted organisations

Measurement of organisational change will target selected ministries, training institutions and partner organisations, involving both individuals and groups. Reporting in these cases will draw on reviews of progress against criteria that are included in HRD plans and *Work Plans on Return*, for example, structured interviews and focus groups. Analysis of the data will involve selected personnel for the organisation in question, drawing on their insights and developing their capacity for this type of work.

7.5.3 Alumni Association

The FMC will work with the alumni association to develop an M&E Framework by which the association can measure its effectiveness, drawing on the objectives of the association and developing simple tools to assess progress against them. In addition, individual alumni or groups of alumni who access the (planned) *Small Grants Scheme* to carry out a development activity will be required to carry out a simple assessment of the activity against agreed categories. This material will be shared with the association as part of its on-going development.

7.6 Management Information System

The FMC will be required to develop and implement a management information system which supports management of delivery of the HRD approaches, providing standard management records and servicing indicators in the logical framework. It will also develop and maintain an alumni database with relevant contact, employment and other post award details for each scholar.

7.7 Baseline study guidance

The design requires that a baseline study be completed in the first nine⁷⁶ months of mobilisation as a means of identifying the status at commencement of important indicators. This will provide the information that will enable robust evidence-based conclusions to be made at the completion of the program or at key review points on the way. The emphasis in this study is on outcomes (short- to medium-term results) and impact (longer-term results), in line with program objectives. This is because the “worth” of the program is to be evaluated against progress within Laos towards improved development in the terms identified in this design document.

7.8 Reporting

The FMC will prepare a number of reports throughout the life of the program. Standard reporting will include monthly, bi-annual and annual reporting.

The design also incorporates a Mid-term Review (MTR) to be completed approximately 12 months before the end of the first four-year phase of the program (i.e., in June 2016). The review, commissioned and funded by AusAID, will consider program outcomes and FMC performance, and its findings will help inform the design for the anticipated four-year extension; and determine possible contracting arrangements for the ensuing four years.

Specifically, the MTR will provide advice on ways to improve the impact and/or sustainability of the program for the remainder of its implementation period, and possibly beyond. It will also provide an opportunity to update risk and sustainability assessments and management. It will assess the quality and progress in delivery of program outputs and objectives; assess any issues or problems and their impact; assess the progress made towards achieving sustainable benefits, and identify and document any essential refinements to the program design.

7.9 Annual planning and review; a four-year rolling plan

The methodology of rolling plans offers the advantage of flexibility: through such a plan, necessary changes can be brought about in program targets and priorities in accordance with changing social, economic and political situations - which are likely to be a feature of the Lao environment over the next few years. By regularly revisiting priorities, perspectives and projections, greater flexibility in

⁷⁶ This time frame will enable the FMC to develop a strong understanding of the context within which the program will work. This is important in making meaning of the data.

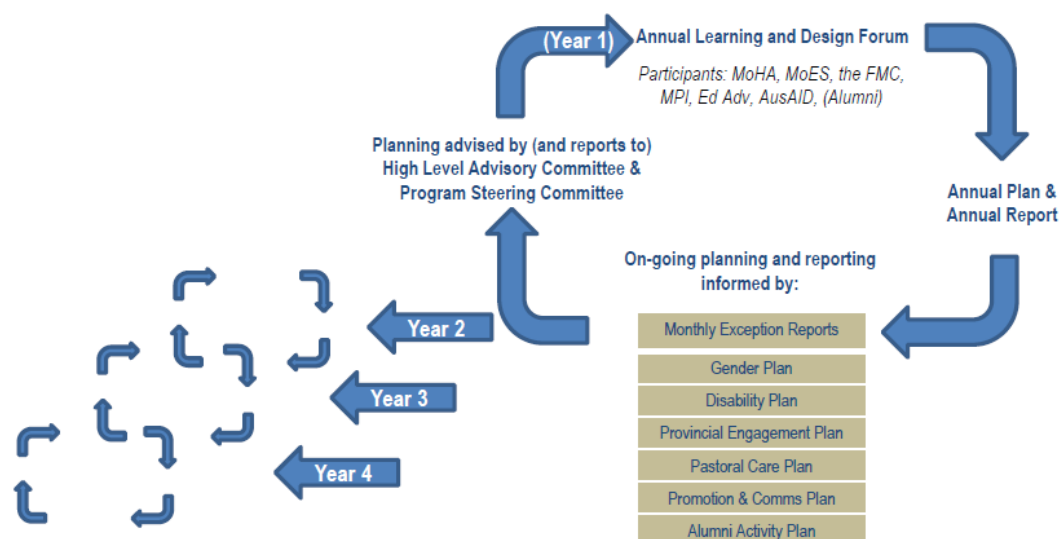
meeting emerging needs is achieved. With an on-going commitment to reviewing progress and directions, greater continuity results, and program budgets can be more responsive – offering increased value for money. Further, in a *Least Developed Country* such as Laos, unrealistic (and usually unmet) projections create dissatisfaction and partner fatigue. However, through setting (and achieving) even small targets, greater donor and partner satisfaction results.⁷⁷

The key, therefore, to successfully planning for and monitoring the implementation of the Lao HRD Program (which, as noted earlier, must be flexible in approach) is a *Four-year Rolling Plan*. The *Plan*, which will include both reports on progress and challenges to date, and a description of proposed strategies, operations and budgets over the following 12 months, must become an integral informant for all decision-making by the Facility Managing Contractor (FMC).

In reports to the *Program Steering Committee*, the FMC will ensure that lessons learned through program implementation are identified, assessed and their implications for the remaining year of the program specified. Similarly, budget issues and recommendations for potential reallocation of funds across each of the three components – and within sub-components – must be reported in each iteration of the *Four-year Rolling Plan*. As such, the *Plan* becomes an instrument, not only for the FMC, but also for the *High-Level Advisory Council* and the *Program Steering Committee* to regularly assess progress and determine strategic directions, but even more so, it offers a practical tool for the day-to-day management of the Facility by the FMC.

Equally important is that the *Plan* be not seen as the exclusive responsibility of the FMC; it is not developed in isolation by the FMC, but rather results from annual “Learning and Design Forums”, involving representatives of MoHA, MoES, the FMC, MPI, AusAID, and a consultant education adviser⁷⁸. Consideration should also be given to including an alumni representative in the Forum, to ensure that issues and directions being discussed benefit from the representatives of the program’s major client group – Australia Awardees.

Figure 13: Four-year Rolling Plan



⁷⁷ While acknowledging the benefits of the rolling plan approach for Laos, care must be taken to ensure GoL commitment to providing ready access to accurate data, as well as a commitment to participate meaningfully in the proposed annual “Learning and Design Forum”.

⁷⁸ However, the FMC will be responsible for drafting each Rolling Plan, for submission to and discussion at each Forum.

8. CRITICAL RISKS AND MANAGEMENT

Unlike many AusAID development programs, and the similarly-timed Laos – Australia Rural Livelihoods program, the Lao HRD program poses few significant risks.

As a relatively secure country, Laos therefore offers a safe working environment for Facility personnel, consultants and volunteers. Although some of the country's remote areas may require greater caution while activities are conducted there, it is unlikely that **safety and security risks** will be a major determinant in achieving successful program operations.

Operational risks demonstrate a greater threat to the successful implementation of the program, particularly if external pressures attempt to expand the role and activities of the program, without a commensurate increase in resourcing. This risk applies not only to the work of the Facility Managing Contractor, but even more so to the monitoring responsibilities of Vientiane Post personnel. To successfully manage these operational risks at Post, additional staff and accompanying resources will be critical.

Should there be a significant change in the policy direction of the Lao Government, which could lead to great insularity and restrict the level of partnering with other countries; a risk to the continuing **strategic direction** of the program will ensue. This, however, is an unlikely risk.

The Facility Managing Contractor will have in place appropriate financial management procedures and accompanying manuals; similarly audit guidelines will be implemented and documented. Provided these are appropriate, and approved by AusAID, any significant **financial risk** to the management and operation of all program components is unlikely to eventuate.

To ensure the successful achievement of Objective 6 – *recognition and acknowledgement, of Australia as an active and responsive partner* – the FMC will develop and update as necessary, appropriate communications / media management plans. Such plans will provide the framework and guidance for managing any potential **profiling risks** to the anticipated public diplomacy outcomes of the program.

Similarly, constant and open dialogue between the Government of Laos and the Government of Australia – including the strategic direction setting negotiated during meetings of the *High-Level Advisory Council*, and the negotiations undertaken as part of the responsibilities of the *Program Steering Committee* – will assist in avoiding potential **relationships risks** between both partners.

While acknowledging the expected low risk levels to be faced by the program, it is important to note areas of broad risks which could impact the program. These **broad risks** are identified below, by Component.⁷⁹

8.1 Component 1 risks

For the *Human Resource Development Analysis and Planning* component, broad risks include:

- Unwillingness (or inability) for Lao Government partners to share costs and provide other essential inputs;
- Inability of Lao Government agency decision-makers to fully appreciate the necessary linkages between TNAs and HRD planning;
- Limited program outreach in provincial areas because of a finite budget;
- Non-Target Group 1 agencies perceive that MoES and MoHA receive preferential treatment, and respond negatively;
- Inability to locate and employ sufficiently skilled national HRD professionals to support the TNA and HRD activities;
- Language constraints in presenting effective and complex HRD change / development programs in agencies or organisations whose staff who have limited English language skills;
- Donor-fatigue experienced by agencies in the human resource development sector, which reduces the potential impact of the AusAID program on its targeted ministries and organisations.

⁷⁹ The FMC, when appointed, will need to prepare a comprehensive Risk Management Strategy and consult with AusAID on a preliminary Risk Matrix, regularly assess the changing risk environment and adjust the matrix and strategy accordingly.

8.2 Component 2 risks

For the *Scholarships and Awards, and Alumni* component, broad risks include:

- A potential loss of sector and subject focus if scholarships are made available to a wide range of agencies and/or organisations;
- Duty of care issues when/ if relying on regional tertiary training institutions (NUoL) not necessarily subject to the same level of Australian tertiary institution quality controls;
- A potential loss of Australian identity where scholarships are provided locally (NUoL) or where training is provided regionally;
- A potential loss of high-level or leadership impact, from scholarships being available for study at TAFE level;
- Inability to maintain highly staff-intensive but reasonably transparent selection and placement processes, given the proposed scaling up of the LANS program;
- Constraints in presenting effective and complex HRD training to staff who have limited English language skills;
- Identifying suitable national trainers with appropriate language skills.

8.3 Component 3 risks

For the *Co-ordinated Engagement through Targeted Initiatives* component, broad risks include:

- The Lao HRD program could become the default option for (inappropriate) other Australian Government assistance, causing it to lose its purpose and not achieve its goals and objectives;
- Inability to meet all emerging and requested needs (caused by insufficient budget or human resources);
- Individual activities provide only limited recognition of Australia's contribution to Laos;
- Too much diversity in activities/initiatives being proposed or supported, resulting in a loss of component focus;
- Limited on-the-ground support available for activity implementation beyond Vientiane;
- Reduced AusAID profile if individual activities are diversified across too many sectors/locations.

9. IMPLEMENTATION ARRANGEMENTS

9.1 Management, governance and implementation arrangements and structure

9.1.1 AusAID role

Responsibility for the *broad strategic direction* of the HRD Program will rest with AusAID and a Program Steering Committee (see Section 4.5). AusAID will monitor the training needs analyses, human resource development and capacity development activities funded under program mechanisms, and will maintain overall responsibility for ensuring continuing linkages to other AusAID programs in Laos - or to those of other donors. In this regard, AusAID will be responsible for:

- Establishing and maintaining the strategic direction and policy of the Lao HRD Program;
- Determining the strategic direction and operational responsibilities of the Facility and program;
- Identifying and proposing relevant activity proposals in response to discussion and negotiations with Lao ministries;
- Initially negotiating with Government ministries, provincial administrations, other AusAID activity teams, other donors and CSOs the Facility's support for and participation in agreed activities;
- Managing the *Australia Awards* program by directing the Facility Managing Contractor on key program strategic, M&E and resourcing requirements;
- Overseeing negotiations with the relevant Government ministries in relation to the continuing participation of selected ministries in the *Australia Awards* programs;
- Monitoring (at whole-of-program level) capacity building activities funded under the facility, including the work of other whole-of-government (Australian) agencies supported by the program;
- Identifying and ensuring continuation of productive linkages to other AusAID programs;
- Participating in briefings (as appropriate) of appointed advisers; and
- Undertaking program reviews, and overseeing contract management and administration activities which are the responsibility of the Facility Managing Contractor.

9.1.2 Government of Laos role

In supporting the activities of the Laos-Australia HRD Program, the Lao Government will provide an appropriate facility in which the program personnel and resources can be located. Further, the Government will take full responsibility for the payment of any per diems or expenses related to the in-Laos training or skilling of Government personnel.

On a broader level, the Government of Laos will:

- collaboratively, with AusAID, determine the overall strategic directions for the support to be provided through the facility;
- establish broad annual priorities through a consultative process;
- identify and advise on needs of individual agencies at both the national and sub-national levels;
- encourage a productive level of donor coordination in activities involving the HRD Program;
- monitor the participation and support of individual line ministries to ensure an appropriate level of cohesion and coordination;
- nominate officers from identified agencies who will be responsible for communication with HRD program personnel;
- participate in all necessary consultation activities;
- provide ready access to all available documents, statistical data, and relevant research data;
- facilitate meetings and contacts, as needed, with participating institutions, organisations and other agencies;
- review and comment on all deliverables within a reasonable time-frame; and
- communicate activity progress within all key national and sub-national agencies.

9.1.3 Facility Managing Contractor (FMC) role

AusAID will appoint a Managing Contractor to manage the facility with a Facility Director and appropriate support staffing, based in Vientiane. The Facility Director will work in close consultation with AusAID, and with all stakeholders, including the nominated line ministries, civil society

organisations, and relevant donors, to develop annual workplans and to manage and coordinate the required inputs at national and, where practicable, at the provincial level.

The first annual workplan for the Lao HRD Program, along with a draft Monitoring and Evaluation Framework (MEF) will be submitted in draft form within three months of mobilisation.

In summary, the FMC will be responsible for:

- Managing staff employed by the program, ensuring performance meets standards outlined in approved Terms of Reference (ToR);
- Establishing and maintaining systems for/management of financial management, human resource management, contract management, quality assurance, project planning and review, and resource allocation;
- Providing administrative oversight for capacity building programs/activities and technical assistance to key government agencies when and if determined by AusAID Post;
- Establishing and implementing systems for preparing terms of reference, subcontracting and tendering;
- Provision of logistical support (including selecting, briefing and mobilising) any consultants appointed to support the activities of the Facility;
- Supervising, supporting, and monitoring the performance of any advisers who may be appointed through the facility;
- Undertaking program and activity planning and review through the development of annual workplans for the program for consideration by the Government of Laos and the Government of Australia
- Establishing and implementing appropriate monitoring and evaluation systems and methods, including a facility-level MEF and component-level objectives
- Preparing (and updating/maintaining) comprehensive Procedures Manuals for all operations
- Managing and/or coordinating all advertising, shortlisting, selection, placement and mobilising processes for the *Laos Australia Awards* programs – including AAS in Australia (with additional AALP), Pre-AAS programs, the LANS program, Foundation Year programs, EAP courses, Short Course Awards, short-term training, and other relevant program mechanisms;
- Managing and/or subcontracting English language teaching programs and EL testing, whether as a precursor to scholarships or awards, or as discrete programs;
- Maintaining effective working relationships with key stakeholders - including Government agencies, other AusAID-funded activities, multilateral agencies and other donors;
- Monitoring development and other capacity building activities and donor efforts across all identified HRD components;
- Ensuring coherence and quality of approach across the complete Lao HRD Program; and
- As directed by AusAID, facilitating the implementation of other capacity building activities using a variety of modes of assistance, and in consultation with other stakeholders.

9.2 Procurement arrangements

9.2.1 Selecting the Facility Managing Contractor

In seeking potential managing contractors, AusAID will comply with the Australian Government's *Commonwealth Procurement Rules*, and AusAID's own *Procurement Policy Framework*. In doing so, the emphasis will be on the following criteria:

- value for money;
- competitive and non-discriminatory procurement processes;
- efficient, effective and ethical use of available resources; and
- accountability and transparency.

9.2.2 Facility Managing Contractor mobilisation

Once contract negotiations with AusAID are completed, the Facility Managing Contractor will be allowed a maximum of three weeks to mobilise and have all key staff in country. Any delays in mobilisation could have a significant negative impact on the *Australia Awards* schedule for 2013, given the important stage in that process at which mobilisation is expected to occur.

Note also that, should the procurement process result in a FMC which is unrelated contractually to the current service provider, all data, including financial records (except that which is commercial-in-confidence), applicant and awardee databases, and alumni records will be provided upon request to the incoming FMC.

9.3 Operating model budget options considered

In considering the range of potential operating models, the design team compared different, potential funding models. These models assumed either:

- (a) A continuation of the current (approximate) funding of \$10 million over four years;
- (b) An increase of funding by approximately \$5 million over the same period; and
- (c) An integrated HRD program, with the potential to absorb addition funds, and support agreed requests from other Australian Government agencies working in Laos – at \$20 million.

The design team initially put financial considerations aside (although remaining conscious of the \$10 million to \$20 million range), and undertook as a first priority to determine needs, and *then* to decide on the nature and scope of the proposed program. This analysis subsequently allowed a design budget to be determined which was based on a proposed, draft program design/approach – rather than basing the program design on an assumed financial allocation.

- **Model (a)** simply provides a continuation of the existing Australia Awards program. No additional staff would be appointed; no short course awards would be offered; and the LANS program would not be able to expand – either at NUoL or potentially at other universities. AAS scholarships numbers would not increase beyond the current ceiling, and there would be insufficient funds to establish a dedicated facility for the operation of the program. Increased operating costs over the planned first four-year period would result in the necessary reduction of services offered by the program to its (only) AAS/ALA clients. English language training for Government officials (pre-AAS) as at present would *not be possible*, and no training needs or human resource development could be undertaken. The existing Foundation Year and EAP programs would continue. Costs of rent would need to be included in the budget, as the Lao Government would be unlikely to provide a facility for use by the Australian Government if it represents simply a continuation of the existing LASP program. Staffing levels would be similar to that currently provided for LASP – two (2) international staff members and one (1) part-time international adviser, as well as national staff.
- **Model (b)** would represent a slightly improved operating option, which could be best described as LASP + some agency-specific HRD support. A small increase to the number of LANS places/awardees would also be possible. However, two of the program's six objectives (those relating to gender and disability) would be unsupported. As with the basic model (a) above, no Short Course Awards could be funded by Post. A small budget (\$200,000) would be available to support activities proposed by other Australian Government agencies, *and which are approved by the PSC*. An additional staff member could be appointed to take some limited responsibility for training needs analyses and HRD support, but would have to restrict technical advisory services to one ministry. The concept of Target Groups 1 & 2 would have to be replaced with a single-agency approach. The proposed access and equity budget would not be available, and a limited level only of English Language support could be offered. An appropriate facility could be established, although its overall value as perceived by the Lao Government may be limited because of the lower direct engagement with Government ministries and organisations than would be possible under Model (c). An increase in the number of Facility staff currently providing LASP services would be necessary to service the specific HRD tasks; and would comprise three (3) full-time international staff and one (1) part-time international staff-person – as well as national personnel.
- **Model (c)** assumes a coordinated HRD program, which applies a targeted approach to identify HRD needs in key Government ministries and organisations; and then preparing an integrated approach to meeting those HRD needs through a combination of Australia Awards, Short Course Awards, short-term training, English language (train-the-trainer) support for key agencies, and an expansion of the successful LANS program. Fund would be available to support effective MoUs and volunteer services, and to use these and other direct strategies to build the capacity of Lao

institutions, including NUOL. Funds would be available to support requests from other Government of Australia agencies to strengthen their involvement in Laos, assuming also a financial commitment from those agencies. Sufficient funds would be available to appoint a range of long- and short-term HRD experts (national and international) to work with target agencies. An increase in the number of Facility staff currently providing LASP services would be necessary to service these additional services; and would comprise three (3) full-time international staff and two (2) part-time international staff – as well as national personnel.

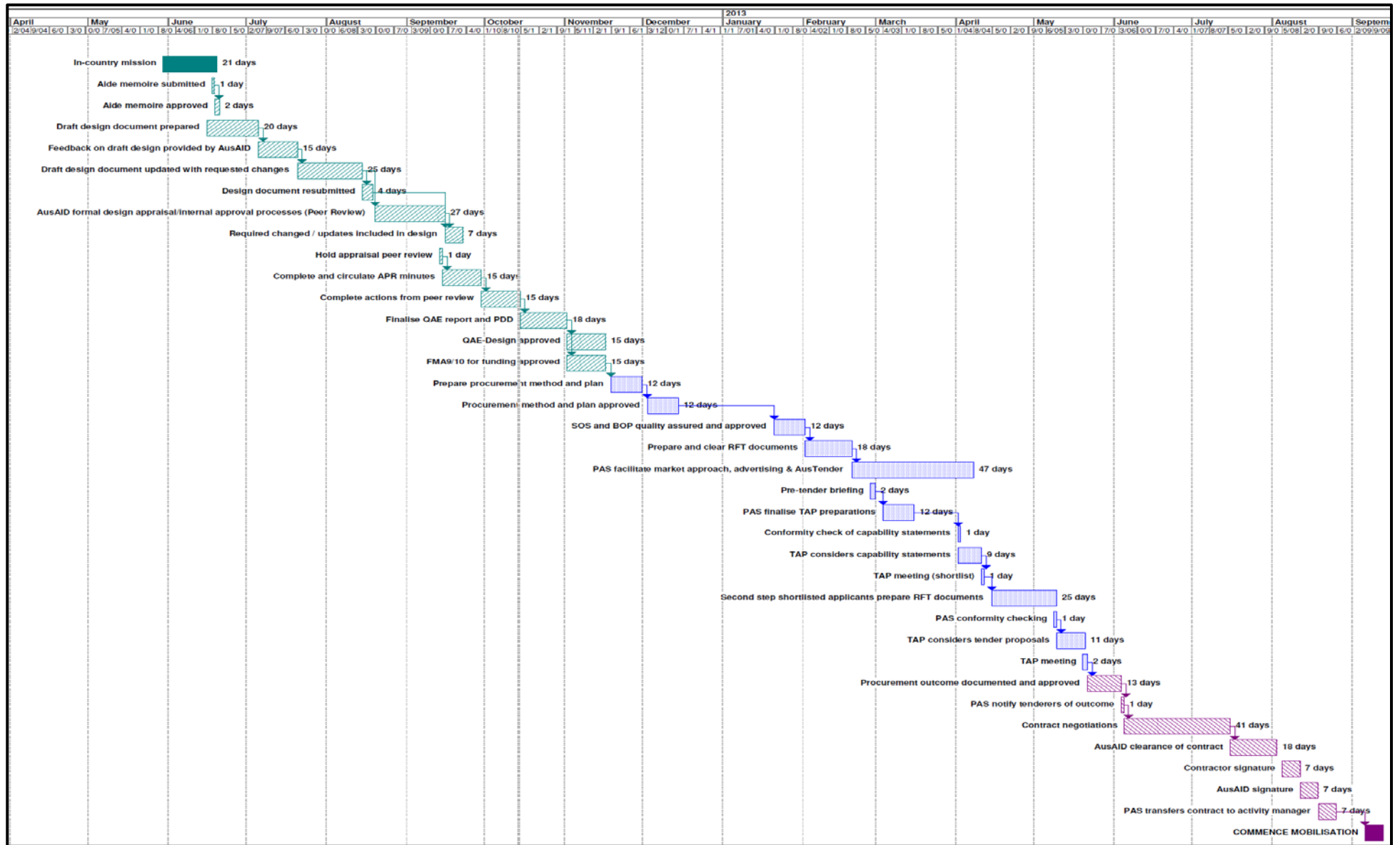
Note that irrespective of either of the three models considered, it was determined that additional staffing and related resources would be required by Vientiane Post, to allow it to complete its responsibilities effectively, and to monitor the activities of the program management team.

10. PROGRAM IMPLEMENTATION

10.1 Program timing

The Laos-Australia HRD facility will begin operating on 1 September 2013, and will conclude on 30 June 2017, unless AusAID exercises the option to extend by a further four years. The timeline below / over indicates broad activity preparation, tendering and implementation milestones.

Figure 14: Program Gantt – May 2012 to September 2013



10.2 Program budget

The Laos-Australia HRD Program is expected to be allocated AusAID funding of approximately \$A20 million over its first four years, in addition to the centrally managed funds for courses of a further (approximately) \$A20 million over the same four-year period for scholarships.

As noted earlier, the total \$A40M investment underpins the higher-budget bilateral activities funded by AusAID within one of the three country strategy pillars, or under the Mekong Water Resources program. The Laos-Australia Human Resources Development program will assist in ensuring sustainability of programs and activities within each of the Pillars, by delivering an appropriate level of skills and capacity exist – through its range of human resource development activities.

Note that a similar budget (of \$A40 million, in total) will be required to fund the proposed continuation of the program into a second four-year period.