



Aid Program Performance Report 2012–13 Lao People's Democratic Republic

Key messages

This report summarises the progress of Australia's aid program to Laos in 2012–13, which is implemented in accordance with the Australia–Laos Development Cooperation Strategy 2009–2015.¹

Australia's aid program to Laos is making positive improvements to the lives of poor and disadvantaged people. In education we assisted more children to gain access to a quality basic education, with school enrolments in our target districts improving from 88.4 per cent in 2010–11 to 94 per cent in 2012–13. Australia's co-chairing of the Education Sector Working Group helped to better align education investments with Lao Government development priorities, assisting to improve Laos performance against the Millennium Development Goals. Fifty per cent of scholarships were awarded to women and two to people with disability.

In the trade sector our sustained support contributed to Laos membership accession to the World Trade Organization in February 2013. Efforts were also made to increase the productivity of non-resource sectors with high social and economic impact with targeted training for garment workers.

Through our investments in rural development, the lives and livelihoods of thousands of rural poor were improved. Around 35 000 people gained access to safe water and sanitation, 134 000 to safe, productive land that had been cleared of unexploded ordnance, and 8993 to electricity. The preparation of the Australia Laos Rural Development Delivery Strategy 2012–2016 set an aid program benchmark and laid the foundation for significant future investment in rural development that will give rural communities access to roads, banks, safe productive land, and livelihood improvements through social transfers and micro-enterprise creation.

Context

Laos' strong economic performance continued throughout 2012 and 2013 with gross domestic product (GDP) growth at around 8.2 per cent, a slight increase from 8.0 per cent in 2011.² This improvement in fiscal performance has been due to faster than expected revenue growth linked to grants received for the 9th Asia-Europe Meeting Summit,³ revenue from the hydropower and mining sectors, and non-resource revenues such as turnover tax and income tax. Revenues from foreign investment in mining and hydropower projects alone accounted for 4.3 per cent of GDP, an increase of one per cent from 2011.

While a key driver of economic growth remains the resources sector, the non-resource sector is growing in importance. Non-resources share of real GDP growth was 71 per cent in 2012,

¹ Note that there is a separate annual aid program performance report for Australia's Mekong Water Resources Program, which reports on activities in the natural resource management sector for Laos.

² Lao Economic Monitor Update, World Bank, November 2012. Note GDP growth was measured at 8.2 per cent by the World Bank.

³ The 9th Asia-Europe Meeting was held from 5 to 6 November 2012.

up from 55 per cent in 2011. There has been an increase in foreign direct investment's share of GDP, from 14 per cent in 2011 to 18 per cent in 2012. Non-resources share of total foreign direct investment has risen from 19 per cent in 2011 to 24 per cent in 2012.

The fiscal deficit in 2012–13 widened with significant increases to public wages, however external debt distress was reclassified from high to moderate due to an assessed improvement in fiscal policy performance.⁴

The national poverty rate continues to decrease, with a 40 per cent drop over a 15-year period.⁵ Poverty is typically linked to geographic remoteness, ethnic status, and is more likely to be experienced by women and children. The poverty rate in rural areas is 32 per cent, compared to 17 per cent in urban areas.⁶ Poverty rates are lowest, but still high, among the Lao Tai—the largest ethnic group—at 22 per cent, compared with 59 per cent for the three main non-Lao Tai groups.⁷

Food insecurity remains a major problem with only one in three rural households food secure, resulting in serious development impacts, particularly on children. An estimated 27 per cent of children under five years of age in Laos are underweight,⁸ while 44 per cent are stunted.⁹

The benefits of Laos' economic prosperity are not experienced equally by the population. Although Laos' Human Development Index for 2012 remained steady from 2011 at 0.543, which represents a ranking of 138 out of 186, when inequalities are factored in associated with life expectancy, education and income, there was an overall reduction of 25 per cent in the Human Development Index value.¹⁰

Despite strong economic growth and the progress made towards achieving some Millennium Development Goals (MDGs), particularly in reducing poverty, increasing primary school enrolment and reducing child mortality, Laos will still struggle to meet the MDGs.¹¹ MDG4, to reduce child mortality, is the only goal considered on track.¹² Progress against Laos' 7th Five-Year National Socio-Economic Development Plan 2011–2015 continued to be slow. While there are many factors that contribute to this, the disconnect in government between planning, budgeting and executing expenditure at all levels is a major factor. This has led to inadequate government human and financial resources being allocated to basic services, which

⁴ Lao Economic Monitor Update, World Bank, November 2012. Note that the re-classification of debt distress for Laos was based on the joint International Monetary Fund-World Bank Debt Sustainability Analysis Framework.

⁵ The latest available data on poverty incidence is from the World Bank-funded Lao Expenditure and Consumption Survey 2007–08, Ministry of Planning and Investment, Department of Statistics, 2010. Note that the international poverty line (based on USD1.25 per day) shows the Laos poverty rate decreasing by one-third over a 15 year period since 1992.

⁶ Ministry of Planning and Investment (2010) Lao Expenditure and Consumption Survey 1992–2003, 2007–08: Poverty in Lao PDR 2008, Department of Statistics.

⁷ Lao Decide information, *Targeting poverty in the Lao PDR: How well do current approaches reach the poor?* Research Evidence for Policy, March 2013. Note that the three main non-Lao Tai groups in Laos include Hmong-Mien, Chine-Tibetan and Mon-Khmer.

⁸ A decrease of just four per cent since 2006.

⁹ Lao Social Indicators Survey 2012. Note that the World Food Programme definition of stunting reflects shortness-for-age, an indicator of chronic malnutrition and calculated by comparing the height-for-age of a child with a reference population of well-nourished and healthy children. According to the United Nations Standing Committee on Nutrition's 5th Report on the World Nutrition Situation (2005), almost one third of all children are stunted.

¹⁰ Human Development Report 2013, United Nations Development Programme, p.18. Note that the 2013 reports, provides data for 2012.

¹¹ Note that Laos is working to meet nine MDGs, and in addition to the eight standard MDGs, there is a Laos-specific MDG for the reduction of unexploded ordnance impact.

¹² For MDG4, the national MDG target of 55 per 1000 live births has already been exceeded to 42 per 1000 live births. Similarly significant progress has been made against the other target for this MDG on infant mortality. The infant mortality rate has dropped by one-third over the last nine years from 104 per live births in 2003 to 68 per live births in 2012. The MDG progress assessment referred to is that made by the department's Vientiane-based team in October 2012, which, amongst other data, was primarily based on Lao Social Indicators Survey 2012.

is important given that the achievement of this plan is largely linked to meeting MDG targets and graduating from Least Developed Country status by 2020.

A renewed push from the Lao Government in 2012 in decentralising human and budgetary resources to improve the delivery of social services at the sub-national level is a further attempt to meet the country's development targets. Little is known about the immediate effects of this policy currently under pilot. More is likely to be known after the government concludes a mid-term review of decentralisation pilot activities in October 2013. The Lao Country Program will continue to track the policy's implementation and its implications.

Linked to the push to decentralise is the continuation by the Lao Government of village consolidation. The aim of this is to make communities more centralised for ease of service delivery, to generate livelihoods away from slash and burn agriculture and to better manage internal migration for upland communities. However well intentioned, we have observed instances that show that this approach is contributing to poverty, at least in the short term, as communities that are physically moved may have better access to social services in the medium term but are at risk of losing their traditional land and livelihoods without adequate compensation or replacement livelihood options.

As Laos' economic position in the region grows—and the country works to become part of an integrated Association of Southeast Asian Nations (ASEAN) Economic Community by 2015—and to fully realise its vision of being the 'battery of Asia', its neighbours (such as China, Vietnam and Thailand) and countries further afield (such as Germany),¹³ are looking for opportunities to further enhance their economic and development cooperation. Neighbouring countries (or non-Organisation for Economic Cooperation and Development (OECD) members) continued to make significant industrial and resource-based investments in Laos, and in development cooperation activities,¹⁴ rivalling those made by Australia and other OECD Development Assistance Committee (DAC) countries. Little continues to be shared by the Lao Government or non-OECD members about these investments.¹⁵

The key objectives of Australia's bilateral development cooperation program with Laos remain relevant and are consistent with Laos' national development priorities. Priorities under this strategy for education and rural development were re-assessed in 2012 and 2013, with the preparation of delivery strategies for both sectors. The need to support education outcomes in basic education was re-confirmed by the education delivery strategy. For rural development, the delivery strategy identified a need for Australia's aid to be more focused on providing rural roads where there is a deficit of funding, rather than to the electricity sector where other funding resources are more readily available. The preparation process for the new development cooperation strategy for Laos will commence in June 2013.

There was an overall seven per cent increase in total official development assistance (ODA) to Laos between 2010 and 2011. Total estimated ODA increased from USD414 million in 2010 to USD445 million in 2011. Australia is the largest bilateral grant donor to Laos, with total ODA at \$53.8 million (around USD54 million) in 2012–13, or 12 per cent¹⁵ of total ODA.

¹³ Germany is particularly interested in engaging in Laos given the impending Integrated ASEAN Economic Community, and the economic (trade) opportunities this represents.

¹⁴ For example the Chinese Government has offered to cover part of a 30-year soft loan for the planned Boten-Vientiane USD7 billion railway. Although the financing arrangements are still under negotiation, as they currently stand the Chinese Government has agreed to cover 3.8 per cent of the 5.8 per cent interest rate of the loan to the Lao Government to be provided by the Chinese Exim Bank. Despite this concessional loan proposal, the Lao Government would be faced with paying USD3 billion in loan interest.

¹⁵ The United Nations Development Programme-funded development assistance tracking system, the Aid Management Platform, was launched in 2012 by the Lao Government. The platform does not account for emerging donor investments. While there are future plans to include the investments of more donors, currently only 36 donor agencies are reporting their development assistance on a quarterly basis.

Japan is the second largest ODA donor to Laos contributing an estimated USD52.1 million in 2011, while international financial institutions—the Asian Development Bank and World Bank—provided USD71.3 million and USD44.9 million respectively.¹⁶

Expenditure

Financial expenditure for the Laos Country Program against development cooperation strategy objectives is reported in two periods: one for the six months from January to June 2012 (Table 1A), and one for the financial year 2012–13 (Table 1B).

Table 1A: Expenditure 1 January to 30 June 2012

Objective	\$ million	% of bilateral program
Objective 1: Mitigation of key constraints to equitable access to a basic quality education in targeted poor geographic areas	11.6	37
Objective 2: Better management of Government of Laos and donor resources available to the education sector through the implementation of a jointly agreed 10-year education sector framework	0.1	1
Objective 3: Policy and institutional impediments to trade and investment addressed in sectors that contribute to inclusive growth	1.7	5
Objective 4: Delivery and modelling of effective programs that result in equitable and sustainable improvements to livelihoods in targeted geographic areas	2.2	7
Objective 5: Improved prioritisation, delivery efficiency and coordination of mine action resources	1.2	4
Objective 6: Improved rural infrastructure, particularly roads and electrification	5.0	16
Crosscutting objectives: Scholarships & human resource development	4	13

Source: Aidworks

Table 1B: Estimated expenditure in 2012–13

Objective	\$ million	% of bilateral program
Objective 1: Mitigation of key constraints to equitable access to a basic quality education in targeted poor geographic areas	7.8	23
Objective 2: Better management of Government of Laos and donor resources available to the education sector through the implementation of a jointly agreed 10-year education sector framework	0.5	1
Objective 3: Policy and institutional impediments to trade and investment addressed in sectors that contribute to inclusive growth	2.1	6
Objective 4: Delivery and modelling of effective programs that result in equitable and sustainable improvements to livelihoods in targeted geographic areas	8.8	25
Objective 5: Improved prioritisation, delivery efficiency and coordination of mine action resources	3.5	10
Objective 6: Improved rural infrastructure, particularly roads and electrification	5.1	15
Crosscutting objectives: Scholarships & human resource development	6.8	20

Source: Aidworks

¹⁶ The department's Statistics Section, Aid to Laos by Donor 2011, May 2013.

Progress towards objectives

The overall progress of the Laos Country Program in achieving objectives is broadly positive. This progress is summarised in Table 2 below. A performance assessment framework provides milestones against which performance is assessed each year. The ratings presented in this section reflect a combination of progress against milestones in 2012–13 and future challenges and issues that could hinder progress.

Table 2: Rating of the program's progress towards the objectives

Objective	Current rating	Previous rating
Education		
<i>Development outcome: all boys and girls complete a full course of primary education</i>		
Objective 1: Mitigation of key constraints to equitable access to a basic quality education in targeted poor geographic areas	Amber	Amber
Objective 2: Better management of Government of Laos and donor resources available to the education sector through the implementation of a jointly agreed 10-year education sector framework	Green	Green
Trade and investment:		
<i>Development outcome: increased trade and investment in sectors which support poverty reduction</i>		
Objective 3: Policy and institutional impediments to trade and investment addressed in sectors that contribute to inclusive growth	Green	Green
Rural development		
<i>Development outcome: less than quarter of the population living below the poverty line</i>		
Objective 4: Delivery and modelling of effective programs that result in equitable and sustainable improvements to livelihoods in targeted geographic areas	Green	Green
Objective 5: Improved prioritisation, delivery efficiency and coordination of mine action resources	Green	Green
Objective 6: Improved rural infrastructure, particularly roads and electrification	Amber	Amber

Note:

Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Education

Laos is unlikely to meet MDG2 (universal basic education) or MDG3 (gender equality in education). It is on track however, to meet one of the targets under MDG2 on universal net enrolment of all boys and girls in primary education by 2015. The net enrolment rate increased to 96.8 per cent in 2012–13, up from 94 per cent in 2010–11.

High student dropout rates in grade 1 and low student retention rates to grade 5 are seriously undermining gains made on enrolments. There was only slight improvement in retention rates in 2012–13, which increased to 71 per cent, representing a three per cent rise from 2010–11.

Gender parity is on track at primary school level with a gender parity ratio of 0.95¹⁷ for 2012–13, a 0.04 increase from 2010–11.

During the reporting period, the 18 per cent target for budget allocation stipulated in the Lao Government's Education Law (2007) was achieved. This represents a large and rapid increase in the budget share to education, which was at 11.4 per cent in 2011–12. The rise is due to the introduction in 2012 of salary increases for teachers and a school administration block grants scheme to primary schools.¹⁸ This budget increase has been at the expense of the non-wage recurrent budget, representing a risk to investments from development partners not being sustained, and therefore MDG targets not being met. A lack of transparency and accountability in the national budget process however, makes confirming actual budget expenditure for education difficult to obtain. More positively, the increase in teacher salaries does represent an opportunity for re-shaping the quality of teaching in Laos, reflected by the Lao Government's willingness to invest in the resource.

The provision (or not) of education services, can be an incentive used by the Lao Government to encourage the movement of villages. Australia will continue to monitor and analyse issues relating to re-settlement across the education portfolio.

Objective 1: Mitigation of key constraints to equitable access to a basic quality education in targeted poor geographic areas

Objective	Current rating
Objective 1: Mitigation of key constraints to equitable access to a basic quality education in targeted poor geographic areas	amber

All three milestones under this objective were partially met. Progress against milestones under this strategy objective was mixed. As this objective is mainly linked to progress of the Education for All: Fast Track Initiative, and the implementation of this ambitious program is behind schedule, progress against this objective has been rated amber (see Annex D for more details).

Overall, progress is steady towards achieving this objective. This is largely linked to the success of the Education for All program getting more children enrolled in school. Enrolment rates in target districts have significantly improved, from 88.4 per cent (86.4 per cent for girls) in 2010–11 to 94 per cent (92.6 per cent for girls) in 2012–13. There are, however, signs that these children are not staying in school, indicating a need to further improve education quality. A mid-term review undertaken in September 2012 highlighted that the fast track nature of the program, with pressure to achieve ambitious targets over an unrealistic timeframe, had detracted from the quality of some of the program outputs.

The objective rating remained the same in 2012–13 due to the need for a one year extension of the program to ensure completion of activities. The Lao Government's lack of capacity to disburse funding quickly and effectively reported in 2011, was largely addressed in 2012–13, resulting in 65 per cent of Australian aid funds being disbursed within 18 months.¹⁹ Additional technical support provided to address this issue has led to improvements in

¹⁷ For every 100 boys enrolled in school there are 97 girls enrolled.

¹⁸ The school administration block grant scheme is a national funding scheme for primary schools that provides a small budget to schools to assist them to manage administration and maintenance expenditure. It commenced in 2011–12 with a grant allocation of LAK20 000 (\$2.50) per primary school student. The Lao Government more than doubled this per capita allocation to LAK50 000 (\$6.00) in 2012–13.

¹⁹ The Ministry of Education and Sports increased its expenditure of Education for All: Fast Track Initiative finances from approximately \$1 million a month in 2011 to over \$2 million a month in 2012–13.

financial management, although delays in financial reporting and acquittals at sub-national levels persist.

The program continued to deliver targeted support to improve education quality. In 2012–13, 1064 school officials (including school principals), 3873 teachers and 960 village education development committees (encompassing 6720 committee members of which 1271 are women) received training to improve the quality of teaching and school management.²⁰ The training was modified to include reference to new National Education Quality Standards, with plans to distribute training materials on the new standards to all school officials who received the initial training prior to adoption of the new standards. The mid-term review cautioned against the risk that these one-off training sessions will not lead to effective change at the school level without appropriate follow-up support and pedagogical advice. Consequently additional training to 200 pedagogical advisers, whose job it is to professionally develop teachers across the 56 target districts, is planned to take place in June 2013. This follow-up training will provide advisers with additional skills to help support teachers to apply their new skills in the classroom.

Work on non-formal education approaches progressed, albeit slowly. This work, encompassing two non-formal education approaches—mobile teachers to achieve primary education equivalency in villages without a school, and community-based construction initiatives—aims to ensure children in the most vulnerable and hardest to reach communities have access to education and are ready to learn when they enter Grade 1. The mobile teacher program operates in 114 villages that are without a formal school and aims to provide essential literacy and numeracy skills for children who would otherwise not have access to any education. More robust monitoring and evaluation is planned over the final year of the program, which will help measure the impact of these approaches.

The community-based construction of additional classrooms progressed well over 2012–13, with all work due to be completed on time by the end of August 2013. Over the last 18 months, 1228 classrooms (491 Australian aid-funded) in 234 schools (93 Australian aid-funded) have been built, and construction well underway on another 528 (294 Australian aid-funded) classrooms at 98 (53 Australian aid-funded) schools.²¹ Technical supervision of construction has improved significantly and as a result the quality of construction is of a higher standard than previous community-based school construction programs. Quality assurance processes need further improvement, and the use of unlabelled fibre-cement ceiling sheeting in some school sites raised initial concerns about possible use of asbestos. While no asbestos has been found in sites tested to date, an action plan has been developed to test all completed sites and ensure that asbestos containing materials are not used in any future construction. Construction of water and sanitation facilities in 25 of the schools was completed with Australian support to the United Nations Children’s Fund, with plans to construct facilities in 90 additional schools over 2013.²²

²⁰ End of program training targets include 2629 school officials (including principals); 6400 teachers (including pre-primary and primary teachers); and 10 500 members in 1500 Vocational Education Development Centres.

²¹ The end of program target for the construction of classrooms is 1766 (785 Australian-funded) in 332 schools (146 Australian-funded).

²² The Australian Government provided \$800 000 bridging funds to the United Nations Children’s Fund in 2012 to support water and sanitation activities in schools, while preparing for a larger water and sanitation and school meals program to be implemented from 2013 until 2017.

With support from Australia, the World Food Programme provided nutritious mid-morning snacks to 26 657 primary school students (including 11 529 girls) in 32 of the most food insecure districts, including 25 Education for All: Fast Track Initiative target districts.²³

In establishing the future direction of the education portfolio, work commenced in late 2012 to prepare a five-year delivery strategy. The strategy will seek to build on the work of the Education for All: Fast Track Initiative, with a focus on improving education quality through both bilateral and multilateral interventions. The strategy is scheduled to be finished in August 2013, and program design will commence soon after.

Objective 2: Better management of Government of Laos and donor resources available to the education sector through the implementation of a jointly agreed 10-year education sector framework

Objective	Current rating
Objective 2: Better management of Government of Laos and donor resources available to the education sector through the implementation of a jointly agreed 10-year education sector framework	green

Progress against milestones under this strategy objective is on track. Of the eight milestones, four were met and four were partially met (see Annex D for more details).

Significant progress has been made in improving sector capacity to implement the Laos Education Sector Development Plan 2011–2015. We invested significant time and resources in co-chairing the Education Sector Working Group, which contributed to its success. We used this role to press for better planning and budgeting, a stronger focus on supporting the most disadvantaged children to access education, improving education quality, and the need to more directly address factors affecting student retention at the primary level. We also emphasised the need for high quality and transparent analytical work to produce evidence to support policy making and achieve education targets. As a result, analytical work was undertaken to investigate factors affecting student retention, and findings were tabled (including reference to re-settlement processes) by the Lao Government for discussion with sector stakeholders. The success of our policy dialogue in the education sector is due largely to our intensive and sustained engagement at all levels within the Ministry of Education and Sports.

The past year saw a closer alignment between planning and budgeting processes. The preparation of provincial-level annual costed education sector plans took place earlier than previous years, which allowed greater opportunity for the plans to inform budget allocations, essential for ensuring that key activities under the Education Sector Development Plan are financed. Provincial-level plans were underpinned by financial data made available through an improved investment database managed by the ministry, which the Australian Department of Foreign Affairs and Trade (DFAT) supports. This database has allowed better tracking of education sector funds and investment alignment with plan targets.²⁴

Progress on implementation of technical assistance and capacity building support (\$1 million under the Public Financial Management Strengthening Program) for the roll-out of the ministry's school administration fund block grants to primary schools has been slower than

²³ The Australian Government provided \$800 000 in bridging funds to the World Food Programme in 2012, while preparing for a larger water and sanitation and school feeding program to be implemented from 2013 until 2017.

²⁴ Note that Australia has provided three volunteers since 2009 to improve the ministry's capacity to develop and manage the education investment database.

expected. This is primarily due to a delay in transferring funds from the World Bank-executed trust fund to a government executed-trust fund. A plan and budget were prepared for training on the use of school block grants for both district education administrators and schools. This training will cover 58 districts and 3226 schools. A professional learning visit to Indonesia for ministry personnel responsible for managing school block grants was conducted in May 2013, further cementing Australia as a donor that can facilitate professional learning opportunities between developing countries.

The second Annual Joint Sector Review Mission took place in March 2013, and was led by the ministry. The review highlighted issues and agreed actions on five areas across the education sector:

- > early childhood education
- > transition curriculum for upper secondary school
- > participation of primary school dropouts in non-formal primary education
- > low retention rates to primary grade five and secondary grade nine
- > post-basic education curriculum to meet labour market demand.

The negative impact of village consolidation on primary school attendance in some areas was highlighted in the review, as was the need for more effective sector budgeting and planning. Australia continued to play a leading role in supporting the annual review. The findings have informed the development of education sector plans, including Australia's.

Continued Australian funding of a senior education adviser at the ministry, as well as an Education Sector Working Group policy and operations coordinator, has contributed to Australia maintaining an intensive engagement within the sector. Inputs from the senior education adviser have been critical to supporting the working group and the first ever review of the Education Sector Development Plan, which commenced in April 2013 and is expected to produce revised sector targets. An important outcome of the adviser's work is the realignment of budget processes with Education Sector Development Plan targets, which were informed by the adviser's analysis of provincial education sector financing.

The Laos Country Program accessed high quality technical input from the Australian aid Education Thematic Group's senior education specialist, who joined the review and provided invaluable advice into the preparation of the education sector delivery strategy.

Trade and investment

The Lao Government is continuing to make positive efforts to broaden its economic base and diversifying its trade. Trade openness (trade as a percentage of GDP) grew slightly from 78 per cent in 2011 to 79 per cent in 2012. Although trade in services is growing strongly in absolute terms (USD774 million in 2010 to USD880 million in 2011) its percentage contribution to total trade was variable with 16 per cent in 2010 and with a decline to 14 per cent in 2011.

The government is making progress with its trade facilitation agenda. The number of days to clear exports through customs has improved from 7.5 in 2009 to 5.6 in 2012, while days to clear imports have fallen from 10.6 to 3.3 over the same period. Laos' ranking in the World Bank's Ease of Doing Business Report remains stagnant at 163 out of 183 economies and its logistics performance index rank of 109 out of 155 countries remains poor.

After 15 years of preparation, Laos became a member of the World Trade Organization in 2013. To maintain the momentum of this, Laos will need to progress reforms agreed to in its accession package.

The implementation of a new program of support to trade and investment in 2013 will see a change in focus, and this will lead to a change in the performance assessment framework for objective 3, which will be reported against in the annual performance progress review for 2013–14.

Objective 3: policy and institutional impediments to trade and investment addressed in sectors that contribute to inclusive growth

Objective	Current rating
Objective 3: policy and institutional impediments to trade and investment addressed in sectors that contribute to inclusive growth	green

Progress against milestones is on track. All four milestones were fully met under this objective in 2012–13. Key achievements include World Trade Organization accession, completion of a sanitary and phyto-sanitary regulatory assessment and a trade portal (see Annex D for more details).

Firm progress was made towards this objective in 2012. The most significant achievement was Laos' membership accession to the World Trade Organization, which occurred on 2 February 2013. This represents a culmination of effort in trade reforms made by Laos over the last 15 years. Australia's investment in the World Bank-managed Trade Development Facility supported Laos in its participation in the accession process.

The Trade Development Facility also helped Laos comply with laws and regulations relating to sanitary and phyto-sanitary standards to facilitate trade in agricultural products. Laos' compliance with these standards underpinned its World Trade Organization accession. In addition, a sanitary and phyto-sanitary standards legal and regulatory assessment was undertaken to identify further reforms needed (post-accession) to facilitate trade in agricultural products, ensure food safety as well as to protect animal and plant health. This assessment was finalised in March 2013.

As part of Trade Development Facility trade facilitation efforts, import-export related legal and regulatory information was made publically available through the development and launch of a web-based Lao Trade Portal. The portal brings together trade-related information of individual ministries and agencies and is a transparent one-stop-shop, ultimately saving businesses time and money in accessing critical information.²⁵

There were continued efforts through the Trade Development Facility to support the development of non-resource sectors with high social impacts. Positive progress was made in the garment industry sub-sector. The Garment Skills Development Centre, established in 2011, continues to operate effectively with firm steps being made towards achieving the financial sustainability of this enterprise.²⁶

Further to the gender analysis undertaken in 2011, two additional studies on gender were prepared and finalised in 2012: gender mapping on dimensions of trade²⁷ and a survey of labour standards and productivity in the garments sector of managers and workers.²⁸

²⁵ There have been an average of 1973 web hits a month on the trade portal since its launch in June 2012.

²⁶ The centre generated an estimated USD14 000 in 2012 in revenue from delivering high quality training that responded to the immediate needs of industry, benefiting around 123 people, most of them women.

²⁷ Lao PDR, *Labour standards and productivity in the garment export sector: a survey of managers and workers*, World Bank, July 2012.

²⁸ Lao PDR, *Mapping the gender dimensions of trade: a preliminary exposition*, World Bank, July 2012.

Building on the success of the Trade Development Facility, Australia will support a second phase. A trade adviser position, funded by the Australian Government under the first phase of the Trade Development Facility, is being supported with pooled funds under the facility's second phase.

Australia's assistance under this objective has been well targeted and highly aligned with Lao Government trade sector priorities. The government has demonstrated strong leadership within this sector by establishing a Trade Program Executive Committee as a central program supervisory and oversight body to provide strategic advice, coordination and common operating guidelines for the implementation of trade-related programs and projects.

Rural development

Laos' people are predominantly rural, with around 75 per cent of the total population deriving income from farming.²⁹ Around 69 per cent of households live in rural villages, including about 85 000 households that are without road access.

The total road network in Laos is now 41 000 kilometres (compared to just 14 000 kilometres in 1990). Despite this expansion, about 83 per cent of the road network, remains unpaved, 45 per cent is in bad or poor condition,³⁰ and around 2000 rural villages (out of 8654 villages) continue to be without road access.³¹ The national budget for road maintenance is insufficient, at an estimated USD35 million annually, representing only 30 per cent of the actual needed.

Small-scale agriculture employs 67 per cent of the workforce. Within the agriculture sector, 99 per cent of the labour force is involved in vulnerable employment—they are either self-employed or are unpaid family workers.³² This means that the vast majority of people living in rural areas in Laos are less able to manage risks, and are therefore more vulnerable to shocks and disasters.

Child malnutrition is more prominent in rural areas, affecting half of all children. Rural communities without road access have the highest stunting rate, which is higher than the national average. Malnutrition is also closely linked to ethnicity.³³

The re-settlement of communities continues, either as a result of government land concessions for major investments or as part of an ongoing process of village consolidation for the purpose of service provision.

In establishing the future direction of the rural development portfolio, the Australia Laos Rural Development Delivery Strategy 2012–2016 was developed and approved in June 2012. Setting an aid program benchmark for delivery strategy quality, the strategy reaffirms Australia's commitment to sustainable livelihoods that build economic security and resilience of poor rural households in Laos. While this year's annual program performance review reports on achievements based on the old strategy objectives, the Lao Program will use the new delivery strategy in framing management consequences for 2013–14.

²⁹ *Lao Census of Agriculture 2010-11 highlights*, Chapter 1: Summary of findings, key farm household results. Released in May 2012.

³⁰ Pers Comm. Department of Roads, Ministry of Public Works and Transport 2013, figure related to 2012.

³¹ Poverty Assessment 2011 Decree 285/PM, National Committee for Rural Development and Poverty Eradication, Government's Office.

³² Lao PDR Labour Force and Child Labour Survey 2010.

³³ The highest levels of stunting were found among the Sino-Tibetan groups (62 per cent), followed by the Austro-Asiatic (56 per cent) and Hmong-Mien (54 per cent) groups living in the Northern and Central Highlands. The Lao-Tai have the lowest prevalence of stunting.

Objective 4: delivery and modelling of effective programs that result in equitable and sustainable improvements to livelihoods in targeted geographic areas

Objective	Current rating
Objective 4: delivery and modelling of effective programs that result in equitable and sustainable improvements to livelihoods in targeted geographic areas	green

Six out of the eight milestones under this objective were achieved in 2012–13, and two were partially met. Rural livelihoods were improved through community-based activities, access to productive land was increased, and disaster management planning enhanced. Milestones connected with sharing program lessons were only partially achieved due to the need for more internal discussions to identify lessons learned, which resulted in limited engagement with government counterparts (see Annex D).

There has been good progress made under this objective. Under the Laos–Australia NGO Cooperation Agreement (LANGOCA) program, which is in its final stage of implementation and is due for completion June 2014, around 408 households gained access to agricultural technologies that helped them improve their agricultural productivity and income. This built on the 1200 households gaining access in 2011. A total of 44 hectares of agricultural land was cleared of unexploded ordnance benefiting 2804 people (including 1251 women) who can now safely use this land for food crops, agribusiness and construction of borehole wells.³⁴ The productivity of land was improved for 151 households with the provision of improved irrigation systems, resulting in a reduction of rice shortages by two to three months.

The LANGOCA program continued to directly benefit women, enabling them to access reliable food sources, minimise their substantial unpaid workloads, and increase their access to basic sanitation and health services. A total of 31 260 people, including 12 788 women, gained access to safe water, while around 4427 people, including 2275 women, were able to access basic sanitation.

The investment made in disaster preparedness in 2011, including the preparation of district disaster management plans and establishment of village disaster management committees, paid off in 2012. A timely and effective response was made by provincial, district and village authorities to flash floods that affected the project areas in August 2012. Given the effectiveness of the disaster risk management contingency plans developed under the program, the Lao Government, through its National Disaster Management Office, is now encouraging other local government units to adopt the models applied under LANGOCA.

A program design was undertaken for new investments in rural livelihoods, which resulted in the \$43.79 million Laos–Australia Rural Livelihoods Program 2012–2016. The approval of this program by the Lao Government was as a result of effective policy dialogue, particularly around social protection, which is a new concept in Laos. If successful, these investments will inform Lao Government social sector policies. The new program will address cross-cutting issues such as nutrition and will complement work on this issue that will be conducted through education investments.

³⁴ Note that this work is captured in the performance assessment framework (Annex D), under pillar 3 rural development, strategy objective 4, milestone achievement 1.b.

Implementation of managing contractor and non-government organisation-delivered activities under this program are expected to commence in early 2014. Other multilateral and delegated cooperation-delivered components will commence in 2013.³⁵

Objective 5: improved prioritisation, delivery efficiency and coordination of mine action resources

Objective	Current rating
Objective 5: improved prioritisation, delivery efficiency and coordination of mine action resources	green

Progress towards this objective is on track. Of the five milestones under this objective, four were achieved in 2012–13, and one was partially achieved. Unexploded ordnance clearance targets were met, there were no accidents for de-miners, and women continued to benefit from clearance and physical rehabilitation services. The milestone related to quality assurance was only partially met (see Annex D).

There has been good progress towards achieving this objective. Australia continues to be one of the leading donors to the sector, supporting unexploded ordnance clearance, quality assurance and control processes associated with clearances, mine risk education, and assistance to survivors of unexploded ordnance accidents.

From 2011–2013 Australia provided a total of \$6.1 million (including \$1 million in April 2012) to the United Nations Development Programme-managed Convention on Cluster Munitions Multi-Donor Trust Fund. Through this support, UXO Lao, the national clearance agency, cleared more than 3000 hectares of land in 2012 exceeding its annual clearance target by 100 hectares and benefiting more than 500 000 people. Of this total, Australian-funded clearance accounted for around 26 per cent or 831 hectares, benefiting 134 000 people. More than 600 risk education activities were also conducted, reaching 155 362 people including 69 081 children. This awareness building work contributed to the steady decline in unexploded ordnance accidents and casualties, from 92 in 2011 to 52 in 2012.

The National Regulatory Authority released a strategic plan for the unexploded ordnance sector in Laos—*Safe path forward II 2011–2020*—in mid-2012. The strategy will help achieve the unexploded ordnance MDG by setting standards within the sector, mobilising resources, particularly from donors, and guiding the implementation of international conventions related to unexploded ordnance.

The National Regulatory Authority also worked to mobilise two quality assurance and quality control teams to provide roving checks on clearance operations. One team is now fully operational while the other is in the process of being formed. Problems with staff retention reported in 2011 have been addressed with a salary scale review and a subsequent wage increase for UXO Lao and National Regulatory Authority staff to address uncompetitive employment conditions. In the area of victim assistance, the National Regulatory Authority launched an unexploded ordnance survivor tracking system covering 10 provinces. The data generated by this system will be used to help meet the rehabilitation needs of survivors and to inform national and local health services planning.

³⁵ The Laos-Australia Rural Livelihoods Program 2012–2016 is comprised of four components: (i) social protection and sustainable livelihoods to be delivered through non-government organisations and management contractor arrangements, (ii) financial inclusion to be delivered through the German Association for International Cooperation – GIZ and the United Nations Capital Development Fund, (iii) unexploded ordnance action to be delivered through a United Nations Development Programme-managed multi-donor trust fund, and (iv) the department's Learning Facility to be delivered through management contractor arrangements.

Key challenges within the sector continue to be the enormity of the clearance task and the limited resources available to tackle the problem. An unexploded ordnance sector working group meeting was held in 2012 to assist with resource coordination and mobilisation efforts, with the United States nominated as co-chair. There was no significant change to the sector funding profile in 2012–13. Although the Lao Government provides in-kind support, the sector remains reliant on donor funding. A further contribution of \$5.4 million from Australia to unexploded ordnance action was announced in February 2013. This medium-term support will be provided as part of the Laos–Australia Rural Livelihoods Program, and will enable Australia, as a leading donor, to continue to advocate for further sector resources from both the Lao Government and the donor community. The United Nations Development Programme’s management of donor funds in Laos has raised concerns for the Laos Country Program over the reporting period (see the section on Partnerships for more detail).

Objective 6: improved rural infrastructure, particularly roads and electrification

Objective	Current rating
Objective 6: improved rural infrastructure, particularly roads and electrification	amber

Progress towards this objective is partially on track. Eight out of the 12 milestones, particularly those linked to key achievements under the Northern Transport Network Improvement Project and the Rural Electrification Program Phase 1, were met. Two were partially achieved due to a re-scoping of the Rural Electrification Program, and two milestones linked to the Poverty Reduction Fund Phase II have not been met.

Progress against achieving this objective has been hindered by delays in the Poverty Reduction Fund Phase II. As this initiative is the second largest of the Lao Country Program, accounting for 16 per cent of total program expenditure in 2012–13, an amber rating for this objective has been applied.

Objective 6 is linked to three initiatives:

- > Northern Transport Network Improvement Project 2007–2014 with a total budget of USD118.6 million, including Australia’s contribution of \$18.8 million³⁶
- > Rural Electrification Program Phase 1 2008–2013, with a total budget of USD85 million including Australia’s contribution of \$13 million³⁷
- > Poverty Reduction Fund Phase II 2012–2016, with a total budget of USD68.3 million, including Australia’s \$20 million contribution.³⁸

Despite several years of delay, the Northern Transport Network Improvement Project is now on track and 90 per cent complete. The 82 kilometre section of the Australia-funded road was completed ahead of schedule in December 2012, with 58 kilometres constructed over the last 18 months. Significant advances in the delay-plagued Korean-financed section in 2012–13 mean that the project is back on track and will be concluded by early 2014. These advances can be in part attributed to the significant efforts made by the Australian Government in raising concerns directly with the Republic of Korea’s international cooperation agencies at

³⁶ This is an Asian Development Bank-led project with other co-financers such as OPEC International Development Fund and Korea with finance and implementation conducted separately.

³⁷ Rural Electrification Program Phase 1 is a World Bank led project with other co-financers such as Norad and Global Environmental Fund.

³⁸ The Poverty Reduction Fund Phase II is one of Lao PDR’s largest multi-sectoral programs focusing on rural poverty reduction, led by the World Bank (also contributing USD25 million). The Swiss Agency for Development and Cooperation and the Lao Government are also co-financers providing USD13.3 million and USD10 million respectively.

headquarter level.³⁹ This national project has benefited more than 8000 people (half are women) who are living along the road. Monitoring and supervision missions affirm the road's good quality. To complement this investment, around 56.7 kilometres of rural feeder roads are being constructed to link rural communities to the national road. Construction of these started in February 2013.

An Australian-supported HIV/AIDS Awareness and Human Trafficking Prevention Program has been mobilised given the improved road access. Teams continue to work among at least 42 communities (44 000 people) to raise awareness of these issues. Road safety teams were also mobilised to provide technical support to the Lao Government's Ministry of Public Works and Transport Department to help implement the National Road Safety Action Plan, including a road safety campaign and audit in the project areas.

The Rural Electrification Program Phase 1 is nearing completion and it is expected to achieve its major objectives. Australia's support enabled an additional 8993 households (including 2193 on-grid) to gain access to the national electricity grid and solar homes systems in 2012–13. Through this program to date, a total of 25 153 households have been electrified through the installation of 2003 solar home systems, which exceeded the original target by 24 500 households. The delays in procuring solar panels that were reported in 2011 have since been resolved through the assistance of an international procurement adviser.

An impressive reduction in overall system losses from the national electricity grid was achieved with assistance from the program. Losses decreased from about 22 per cent in 2005 to 10.45 per cent in 2012 due to improved financial management leading to enhanced sustainability of the power sector.

The Poverty Reduction Fund Phase II commenced in January 2012 and has had a slow start. To date, only about 40 per cent of Australia's first funding tranche of \$5 million has been expensed due to a 12 month delay between the World Bank and Lao Government in finalising the grant agreement for Australia's contribution. Program implementation is six months behind schedule. Work has commenced through the use of other funding sources however, and as of February 2013, 102 rural infrastructure projects have been completed benefiting more than 72 000 rural people (50 per cent women and 80 per cent from ethnic communities).⁴⁰

There is a risk that the fund's activities may be carried out in communities intended for village consolidation, which may lead to physical re-settlement. The Australian Government and other contributing donors have taken steps to mitigate this risk. A review of Lao Government rural development plans was conducted in 2012⁴¹ to understand more about where village consolidation is likely to occur. Enhanced protocols have been established for verifying target villages, backed by additional technical review. Policy dialogue regarding safeguards concerns was undertaken, with mixed success.

Strategy-wide initiatives

Australia-Laos Scholarship Program: this program was independently evaluated in 2012 and found to be relevant and effective. Forty-seven scholarships were awarded in 2012,

³⁹ Note that an Australian Government delegation, led by the Minister-Counsellor Mekong & Regional, conducted senior-level consultations with the Republic of Korea's international cooperation agencies on this matter during a visit to Seoul in August 2012.

⁴⁰ Of the 102 rural infrastructure projects completed in 2012–13 there were 31 education projects, three health projects, 51 water supply projects, one rural road rehabilitation project, three rural electrification projects and 13 agriculture projects.

⁴¹

including two prestigious Australian Leadership Awards Scholarships.⁴² The program achieved the 75 per cent target of 20 scholarships being awarded to applicants from the public sector. Lao–Australia National Scholarships were also awarded to a second cohort of 70 students (80.3 per cent from ethnic groups) in 2012.

Although there were more male applicants for Australia Awards in 2012 (64 per cent overall), the final selection of awardees achieved gender balance with 50 per cent of scholarships awarded to women. For Australia Awards Fellowships, a total of 32 placements were provided in 2012–13 for Lao nationals to participate in leadership capacity development programs in the areas of governance, economic growth, disability and development, health and environment.

Work continued in 2012 for the preparation of the Laos-Australia Institute. Former Prime Minister Julia Gillard announced the resultant \$20 million four-year (2013–2017) program during her visit to Laos for ASEM in November 2012. The institute is currently being tendered, and the managing contractor is expected to begin work in November 2013.

Public Financial Management Strengthening Program: there was mixed progress over the last 18 months in improving management of public finance, due to human capacity constraints and considerable energy being diverted to focus on the implementation of the Lao Government’s decentralisation or Three Builds policy.

Key progress included enhancing the timing and content of the 2012–13 budget circular to enable ministries and provinces to prepare for the national budget, and improving the quality of debt records which helped facilitate better management of external debt. Treasury reforms were also undertaken, including ongoing consolidation of all revenue accounts into a single treasury account to ensure better financial controls, accountability and transparency in the use of public money.

This program is due to finish in September 2013. World Bank has completed the design for a successor program, however there are ongoing delays in negotiating this program with the Lao Government. The Lao Country Program will investigate options for sector-specific public financial management support, such as to the education sector, outside the World Bank initiative.

Humanitarian assistance: Laos avoided severe flooding during the 2012 monsoon season, which meant more opportunity for recovery from the considerable after effects of tropical storms that hit Laos in 2011.

Australia’s 2011 \$1 million flood recovery assistance activities were concluded successfully in 2012. The three international non-government organisations that delivered this assistance—Save the Children, World Vision and Oxfam—reached around 100 000 vulnerable people including 54 000 women, exceeding the original total beneficiary target by 58 000 people. As a result, a total of 9747 households (53 438 people, including 26 735 women) were able to rebuild their livelihoods by repairing and constructing weirs, clearing mud from paddy fields and re-stocking fish ponds. Around 9000 households (5125 people, including 2878 women) benefited from nine repaired irrigation systems enabling them to start planting rice in early 2012. More than 4800 households (24 622 people, including 11 708 women) received agricultural seeds or tools for planting, and more than 3900 households (23 171 people, including 11 871 women) received assistance by participating in cash for work and food for work activities.

While many communities made good progress in recovering from the 2011 floods and landslides, communities in Khammuane Province, one of the most severely flood affected in

⁴² Now known as the Australian Leadership Awards Program.

2011, continued to struggle. An emergency food security assessment was conducted in the province by the World Food Programme at the Lao Government's request in early 2012. This identified 39 000 moderately to severely food insecure people in 80 villages who required urgent assistance until the wet season harvest in November 2012. Australia contributed \$300 000 towards this.

A further \$2.5 million⁴³ was provided in late 2012 to the World Food Programme and Save the Children to implement the two-year Strengthening Disaster Risk Management Systems and Capabilities initiative. This is working at national and sub-national levels to assist Laos improve its emergency preparedness responses and while the program is still in its inception phase,⁴⁴ significant preparatory work has been undertaken.

Program quality

Quality at Implementation ratings

A summary table of Quality at Implementation ratings for the Lao Country Program 2012–13 is provided at Annex B. The table also provides a comparison with 2011 ratings. Overall program quality at implementation improved in 2012–13 over 2011. Across 10 monitorable initiatives, half are rated good quality compared to 30 per cent in 2011. Forty per cent of initiatives are rated as satisfactory, compared with 60 per cent in 2011, and 10 per cent are rated less than satisfactory, the same as in 2011.

Ratings against all criteria, with the exception of relevance, remained relatively stable. There were improvements in effectiveness and efficiency across the program. One initiative, the Northern Transport Network Improvement Program, has been removed from the list of initiatives requiring progress due to significant improvements in effectiveness and efficiency. The Education for All: Fast Track Initiative also increased its efficiency rating to adequate due to considerable efforts by the Lao Government to improve program expenditure. Efficiency and effectiveness ratings for the Poverty Reduction Fund Phase 2 were rated less than adequate due to significant delays in implementation.

Inclusive development

In 2012–13, several independent evaluations and reviews were prepared for Laos Country Program initiatives (see Annex C, Table 1). This work produced a rich range of data, impact analysis and lessons, which, among other things, enhanced the Laos Country Program team's ability to better understand inclusive development issues and identify opportunities for further integration of these into current and future aid activities.

Gender

The Office of Development Effectiveness conducted an evaluation of the Laos Country Program in December 2012 as part of a larger review of women's economic empowerment. Five main initiatives were examined. Initial informal feedback from the evaluation team indicates that the Laos Country Program has a good gender focus in its strategy and

⁴³ Note that of the \$2.5 million, \$1 million was provided from the departments global Disaster Prevention and Risk Reduction Initiative, and \$1.5 million was drawn from the Lao Country Program Fund.

⁴⁴ Funding agreements between the Australian Government, the World Food Programme and Save the Children were signed in early 2012.

programming,⁴⁵ and that support to education, trade, investment and rural development has the potential to positively influence women's economic capacity, outcomes, and, in the long term, empowerment. Violence against women emerged as an issue of concern and an area where future support may be warranted.

Across the Laos Country Program there was mixed performance in the area of gender equality. Three initiatives showed improvements in this area, particularly under rural development (the Laos–Australia NGO Cooperation Agreement program, Northern Transport Network Improvement Project and Rural Electrification Program Phase 1), however there was some decline in performance for trade and investment and education, including with the Education for All: Fast Track Initiative and Trade Development Facility. The decline in progress in gender equity for the Education for All: Fast Track Initiative was identified through the program's mid-term review, which highlighted the need for a comprehensive program-wide gender framework to ensure that program interventions are adequately addressing and monitoring progress towards gender equality. For the Trade Development Facility, the slight decline in progress was linked to a more limited production of analytical work on gender due to the program winding down.

Disability inclusive development

The Laos Country Program sustained a strong focus on disability inclusive development in 2012–13. Disability inclusive education activities, undertaken by Catholic Relief Services, commenced in 2012.⁴⁶ The memorandum of understanding for this initiative was not finalised until late 2012, which delayed implementation, but significant preparatory work was undertaken in early 2013.

The Cooperative for Orthotic and Prosthetic Enterprise, partly funded by Australia, treated more than 800 patients in 2012–13, 205 of who were unexploded ordnance accident survivors. The initiative also continued to build the clinical capacity of the national physical rehabilitation team, providing over 700 hours of training for 68 staff from the five rehabilitation centres across the country.

For the first time in the current Laos–Australia Scholarships Program, the 2012 cohort included two scholars with disability. Considerable efforts were made by the Laos Country Program to ensure sufficient support in readying these students for study in Australia. There were significant delays in mobilising one high-needs student due to weaknesses in the Australian Government's disability support processes that are currently not able to meet expectations outlined in DFAT's Development for All policy.

Further work to enhance understanding of disability in Laos, particularly in relation to the education sector, was conducted in 2012. A comprehensive situational analysis on disability inclusive education provided a greater understanding of the different barriers faced by children with disability in accessing basic education. This analysis also provided recommendations for how these barriers can be addressed through future DFAT investments in the sector. It has directly informed the preparation of the education sector delivery strategy, and will be an important reference during the design of the new education program.

⁴⁵ The five initiatives selected included Laos–Australia NGO Cooperation Agreement Program, the Rural Electrification Program Phase 1, the Adolescent Girls Initiative – Supporting Talent, Entrepreneurial Potential and Success, the Trade Development Facility and the Education for All: Fast Track Initiative. Information was also collected on UXO Action activities and the Laos–Australia Scholarships Program. The recommendations from the evaluation included strengthening the Vientiane Posts capacity to undertake ongoing gender analysis across initiatives; strengthening the roles of gender focal points and program managers with formal gender training, developing clear monitoring and evaluation indicators at the commencement of programs, and preparing a women's economic empowerment framework.

⁴⁶ The Australian Government provided \$766 000 to Catholic Relief Services in early 2012 for a two-year program supporting disability inclusive education in Laos.

Partnerships

The World Bank is our largest single partner delivering an estimated 29 per cent of bilateral aid funds to implement aid activities in 2012–13. This represents a 24 per cent decrease on the 2011 figure, and reflects a risk mitigation approach taken by the country program, which was established in the 2011 Annual Program Performance Review. This will minimise over exposure to a single partner and enable a more equitable balance to be achieved between delivery partners and the proportion of Australian aid they deliver.

In addition to the sector-specific interventions that the World Bank delivers, DFAT will be seeking to benefit from the bank's comparative advantage in human development data analysis, particularly in the areas of poverty and vulnerability. This is an outcome of Australian Government–World Bank High Level Consultations that will help inform work under our education and rural development programs. An issue of concern in relation to World Bank implementation of Australia's aid activities is the use of trust funds. With 28 per cent (\$9.7 million) of Australian aid funding to Laos allocated to World Bank trust funds in 2012–13 alone, delays in disbursing these have led to significant delays in implementation.

United Nations agencies, namely the United Nations Development Programme, the United Nations Children's Fund, World Food Programme and the United Nations Capital Development Fund, have a collective share of 30 per cent of the Australian aid budget. Each of these agencies has extensive experience in the areas where our partnership is focused. There is a degree of inflexibility to United Nations contracting and delivery processes that is of concern. During negotiation of several agency agreements in 2012–13, it became apparent that contract templates did not adequately cover Australian Government fiduciary risk and safeguards requirements. The United Nations' apparent limited flexibility in changing these agreement templates to meet emerging needs from donors is an issue that will require assistance from DFAT Canberra and New York to address. This inflexibility extends to designing programs to respond to development and donor needs.

International non-government organisations (the majority of which are Australian) are responsible for implementing around nine per cent of bilateral aid funds to Laos. International non-government organisations face a tight operating environment in Laos, particularly in negotiating memorandums of understanding with government. Nevertheless the operating space that civil society occupies was maintained in 2012–13. In some sectors, such as education, policy dialogue opportunities have broadened for civil society, evidenced by some international non-government organisations being invited by government to co-chair technical working groups, and to co-chair an annual government-led civil society forum (for international and local non-government organisations).

Other government agencies also contributed to the delivery of Australian aid to Laos in 2012–13. The Department of Foreign Affairs and Trade delivered small value official development assistance eligible activities through the Direct Aid Program and through the South East Asia Discretionary Development Fund.⁴⁷ The Australian Centre for International Agricultural Research in Laos delivered a research program estimated at \$5.3 million in 2012–13 that focused on improving rural household livelihoods and food security.⁴⁸

The need to more firmly establish direct relationships with non-OECD member donors in Laos remains a priority. Non-OECD member donor investments in the country continue to

⁴⁷ Through the South East Asia Discretionary Development Fund, up to \$900 000 is made available annually to the Department of Foreign Affairs and Trade to use for activities that enhance capacity to engage more fully in regional and multilateral processes.

⁴⁸ Australian Centre for International Agricultural Research Annual Operational Plan 2012–13, pp. 61–66.

grow, and therefore the need for Australia to foster effective relationships with these donors must intensify. Further efforts need to be made to understand more about non-OECD member donor investments and to leverage opportunities for the Australian aid program. In education for example, a planned investment loan from China for information and communications technology hardware in Lao teacher education institutes presents a potential opportunity for linking teacher education professional development support planned by Australia to this infrastructure investment.

Aid effectiveness

At an operational level, 43 per cent (or \$15 million) of program funds were allocated to pooled funding mechanisms (trust funds) with the World Bank and United Nations agencies, and a delegated cooperation agreement with the German Association for International Cooperation was finalised to help the rural poor access finance.⁴⁹ Australia engaged in aid effectiveness discussions, with a focus on MDG attainment, as part of the round table process in 2012 and continued this participation in 2013.⁵⁰ Involvement in these discussions has led to a stronger more collective focus and advocacy on the need for increased government budget allocations to social sectors, and for the mobilisation of both government and development partner resources to address malnutrition.

Policy dialogue was enhanced by several high level visits to Laos during 2012–13. These visits were sparked by Laos taking on a more prominent leadership role within the international community, as evidenced by the country acting as host for the Asia–Europe meeting (ASEM). Visits included former Australian Prime Minister, Julia Gillard, who announced two major new investments in rural development and human resource development, the Minister of Foreign Affairs, Senator Bob Carr, who advocated for unexploded ordnance action, two parliamentary delegations, which focused on issues of regional and Laos-specific importance such as education, and a visit from Mr Simon Crean MP, also with an education focus.⁵¹

Management consequences

Progress in addressing the previous year's management consequences is outlined at Annex A. The management consequences for the Laos Country Program for 2012–13 fall under five main areas: country strategy framework, public financial management, re-settlement, partnerships and staffing. Further management consequences have been identified for each of the six strategy objectives.

In 2013–14, the following outcomes will be achieved for the Laos Country Program.

Country strategy framework

- > Prepare a new Australia–Laos Development Cooperation Strategy, and in so doing re-evaluate priority sectors and their relative contribution to poverty reduction.

⁴⁹ The delegated cooperation agreement for \$5.6 million between the Australian Government and the German Association for International Cooperation was signed on 27 March 2013 for the Microfinance in Rural Areas Access to Finance for the Poor (Laos) program 2013–2016, part of the Laos–Australia Rural Livelihoods Program 2013–2017.

⁵⁰ The Round Table Implementation Meeting for 2012 was held on 23 November. The Australian delegation was led by Australia's Ambassador to Laos and AusAID's Counsellor. The High Level Round Table Meeting for 2013 is tentatively scheduled for early November.

⁵¹ ASEAN Parliamentary Study Tour to Laos, 29 August to 2 September 2012; Delegation to the 7th Asia–Europe Parliamentary Partnership Meeting August 2012; visit by the former Australian Prime Minister for the 9th Asia–Europe Meeting Summit 5–7 November 2012; visit by the Minister of Foreign Affairs, 17–20 February 2013; and visit by Mr Simon Crean MP, 25–30 April 2013.

- > Seek to better address cross-cutting issues, such as nutrition and re-settlement, in the strategy, which is important for achieving the MDGs and the effectiveness of the Australian aid program to Laos.
- > The Lao Program's rural development team will work closely with the education team to implement activities that address cross-cutting issues, such as nutrition, through future program investments.

Public financial management

- > Seek to gain a better understanding of Laos' public financial management system to better manage risks in relation to aid investments.
- > Identify sector-specific public financial management investment options, specifically for the education sector, through the investment design process.

Re-settlement

- > Develop an enhanced understanding of re-settlement in Laos by commissioning a program-wide analysis to better manage this risk for current and future programs.
- > Develop a consistent approach to managing risks associated with re-settlement for aid program activities in Laos, informed by DFAT re-settlement guidelines and field-level realities.

Partnerships

- > Intensify engagement with the World Bank at senior levels to minimise the risk of delays in funding disbursement from trust funds for current programs.
- > Move away from using trust funds for future investments to mitigate the risk of delay for future programs.
- > Work at establishing direct relationships with non-OECD donors in Laos, such as China, Vietnam and Thailand.
- > Seek to increase the number of Australia Awards Fellowships in 2013–14 by promoting the program directly to Australian institutions through the scholarships program.

Staffing

- > Create opportunities for DFAT Vientiane staff to develop their skills in policy influencing, particularly as the program shifts to a more bilateral engagement from 2013–14, through Mekong workforce planning. This will include individual career directions case management.
- > Help staff to enhance their skills in managing contractors by identifying relevant training and professional development opportunities.
- > Help staff develop skills in results-based monitoring and evaluation.
- > Use Mekong Hub resources to support strategy development and program implementation.

Strategy objective 1: management consequences

- > Undertake a 'working in partner systems' fiduciary assessment for the education sector.
- > Develop a budget engagement strategy for education, which will help facilitate greater engagement by Australia on sector allocations with the Lao Government.

- > Complete the education delivery strategy and design of a new education program.
- > Help implement an action plan to ensure asbestos containing materials are not used in school construction.

Strategy objective 2: management consequences

- > Develop a policy and partnership engagement strategy as part of the education delivery strategy that will help maximise policy dialogue and support future investments in education.
- > Continue co-chairing the Education Sector Working Group, and maintain our focus and policy dialogue on improving sector planning and budgeting, and prioritising inclusive education in the most disadvantaged areas.

Strategy objective 3: management consequences

- > Engage in Trade Program Executive Committee meetings and other program coordination mechanisms to ensure that the Trade Development Facility 2 continues contributing to capacity building, ongoing trade reform efforts and opportunities for sustainability.

Strategy objective 4: management consequences

- > Undertake a comprehensive lessons learned exercise through the Australia–Mekong NGO Engagement Platform to celebrate the success of the Laos–Australia NGO Cooperation Agreement and to share our experiences in developing the new rural livelihoods program.

Strategy objective 5: management consequences

- > Monitor closely issues that may delay implementation of unexploded ordnance activities, such as the transfer of funds from the United Nations Development Programme to National Regulatory Authority and UXO Lao, high staff turnover (particularly for UXO Lao), and the establishment of a small grants scheme (non-government organisation funding window) for victim assistance.
- > Provide advice to DFAT Canberra’s Multilateral and Donor Partnerships Branch to revise the United Nations Development Programme Trust Fund template to better address DFAT’s fiduciary and safeguards requirements.
- > Advocate for greater Lao Government resource allocation to the sector and resources from other donors through dialogue at the UXO Action Sector Working Group and other relevant fora.

Strategy objective 6: management consequences

- > Use the regional infrastructure adviser, and safeguards and inclusive development specialists, to help us manage risks by providing technical supervision support to the Poverty Reduction Fund Phase 2.
- > Seek opportunities to engage in high-level policy dialogue on critical issues associated with the implementation of the Poverty Reduction Fund.

Table 3: Risks associated with the program and management actions

Most significant risks	Management response – What? Who? How? When?
Continued Lao Government low level budget allocation and expenditure (particularly non-wage recurrent budget) to education will undermine the sustainability prospects of Australia's investments in the sector	<p>Undertake a 'working in partner systems' fiduciary assessment for the education sector. To be undertaken by the aid program education team (First and Second Secretaries) with support from Laos Desk by August 2013</p> <p>A budget engagement strategy will be developed for the education sector by December 2013 led by DFAT Counsellor Vientiane</p>
Re-settlement processes undermine the development impacts and sustainability of Australia's aid investments, particularly in education and rural development, and policy dialogue opportunities to address this negative impact are not effective	Undertake a re-settlement risk analysis on Laos portfolio. The P&Q Team (First Secretary and Program Manager) to prepare a management practice note by January 2014
The bulk of Laos Country Program expenditure continues to be highly focused on multilateral agencies and trust funds which leads to over exposure and risk of significant program delays	Laos Country Program will enhance the use of bilateral delivery mechanisms during 2013–14 through the design and implementation of new programs in rural development and education. These will commence in December 2013/January 2014 and will be led by DFAT Counsellor Vientiane
Non-OECD member donor investments duplicate Australian aid program investments, leading to inefficiency and waste	Enhanced bilateral dialogue with non-OECD member donors (and Laos neighbours) throughout 2013–14 led by Head of Mission and DFAT Counsellor at the Australian Embassy in Vientiane

Annex A

Progress in addressing 2011 management consequences

Management consequences Identified in 2011 APPR (Annual Program Performance Report) ⁵²	Rating	Progress made in 2012–13
Education Delivery Strategy to be prepared.	Green	Preparation of the Education Delivery Strategy commenced in November 2012 with a situational analysis and an inclusive education analysis. The strategy is scheduled for peer review and finalisation in the third quarter of 2013.
Further analysis of re-settlement issues in the education sector to be undertaken.	Amber	Mekong-wide program analysis (focusing on infrastructure programs) was undertaken in August 2012, however a portfolio-wide analysis of re-settlement issues in the Laos Country Program is yet to be completed. This will be undertaken in 2013–14.
Lead policy dialogue role in education to be sustained through the Education Sector Working Group.	Green	Australia continued its role as co-chair of the Education Sector Working Group, engaging in dialogue on critical issues that affect the sector.
Trade Development Facility Phase 2 design to be completed and Australia's investment determined.	Green	Trade Development Facility Phase 2 design was completed in October 2012, and Australia's investment confirmed in December 2012.
Rural Development Delivery Strategy will be finalised.	Green	Rural Development Delivery Strategy finalised in mid-2012, and used as an aid program model.
Laos–Australia Livelihoods program design appraised and finalised.	Green	Laos-Australia Livelihoods program design appraised and finalised in August 2012.
A new human resource development program to be designed and approved by November 2012.	Amber	The design for the Laos-Australia Institute was completed and financial approval given in October 2012. There was a delay in contracting for the program, and it is now scheduled for commencement in late 2013.
The Australian Government to provide input into a partner-led design for Phase 2 of the Public Financial Management Sector Plan Multi-Donor Trust Fund in 2012.	Amber	The Australian Government provided input into Phase 2 of the Public Financial Management Sector Plan Multi-Donor Trust Fund in 2012–13. The design was finalised in April 2013, but negotiations between the World Bank and Lao Government have not gone through.
Laos Country Program will consolidate programs and re-adjust expenditure profile to a more equitable balance between delivery partners.	Green	Laos Country Program initiatives underwent a consolidations process, and program expenditure continues to be adjusted to be more equitably balanced between delivery partners, including a more bilateral approach to delivery.


⁵² Prior to 2012-13 Aid Program Performance Reports were called Annual Program Performance Reports


Scoping work on the robustness of Lao Government systems to be undertaken.


Green

Preparations for this work commenced in May 2013. It is expected to be finalised in late 2013.

Note:

 Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Annex B

Quality at Implementation ratings

Initiative name			Monitoring and evaluation						
	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency		Sustainability	Gender equality	Risk management
Delivering Better Education in Laos	\$9.3 million (2007–2013)	2012	5	5	4	4	4	4	I
		2011	5	5	4	4	3	4	I
Education For All: Fast Track Initiative	\$22.3 million (2010–2013)	2012	5	4	4	4	4	4	I
		2011	6	4	3	4	4	5	I
Laos Enhanced Integrated Framework and Trade Development Facility	\$3.35 million (2007–2011)	2012	5	5	5	4	4	4	M
		2011	5	5	5	4	5	5	M
Laos-NGO Cooperation Agreements	14.42 million (2005–2014)	2012	4	4	4	4	4	4	M
		2011	5	4	4	4	4	3	M
Laos: unexploded ordnance consolidated	\$6.7 million (2008–2014)	2012	6	5	4	4	4	4	I
		2011	6	4	4	4	4	4	I
Lao PDR Rural Electrification	\$13 million (2008–2011)	2012	5	5	4	5	4	6	M
		2011	6	4	4	5	4	5	M
Northern Transport Network Improvement Program	\$18.8 million (2008–2011)	2012	6	4	5	4	4	4	M
		2011	6	3	4	4	4	3	I
Poverty Reduction Fund	\$21 million (2011–2016)	2012	6	3	3	5	4	5	I
		QAE	5	5	4	4	4	3	N/A
		2011							
Lao-Australian Scholarships Program	Approx \$7 million a year	2012	6	5	5	5	5	5	I
		2011	6	5	5	5	5	5	M

Initiative name									
	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
Poverty Reduction Support Operation and Public Financial Management Strengthening Program support	\$13.4 million (2008–2014)	2012	4	4	3	3	4	2	I
		2011	4	4	3	3	4	2	I

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Risk Management scale:

■ Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

Annex C

Evaluation, review and other analytical work pipeline planning

Table 1: List of evaluations, reviews and other analytical work completed⁵³ from January 2012 to June 2013

Name of Initiative	Aidworks number	Type of evaluation ⁵⁴	Date evaluation report received	Date evaluation report uploaded into Aidworks	Date management response uploaded into Aidworks	Published on website
Lao- Australia Basic Education Project	INH976	Independent outcome & sustainability evaluation	February 2013	26 February 2013	N/A	No
Education For All: Fast Track Initiative	INJ396	Joint mid-term review	October 2012	28 May 2013	N/A	No
Situational Analysis on Disability Inclusive on Education	N/A	Thematic study	September 2012	N/A	N/A	No
The aid program Education Sector Situational Analysis	N/A	Sector analysis	January 2013	N/A	N/A	No
Trade Development Facility	INH726	Independent completion report	June 2013	September 2013	N/A	No
Lao PDR Rural Electrification	INH748	Independent progress report and World Bank implementation completion report	April 2013 April 2013	May 2013 June 2013	N/A N/A	No No
Lao-Australian Scholarships Program	INH095, INJ264, INJ265, INJ709, INK048	Independent completion report	June 2012	5 November 2012	N/A	No
Country Gender Assessment for Lao PDR, Reducing Vulnerability and Increasing Opportunity	N/A	Country assessment led by Word Bank and Asian Development Bank	April 2013	N/A	N/A	N/A

⁵³ 'Completed' means the final version of the report has been received.

⁵⁴ For example, mid-term review, completion report, partner-led evaluation, joint evaluation.

Table 2: List of evaluations, reviews and others analytical work planned from July 2013 to June 2014

Name of Initiative	Aidworks number	Type of evaluation	Purpose of evaluation⁵⁵	Expected completion date
Delivering Better Education in Laos	INH 412	Final evaluation of School of Quality Pilot Project	End of project evaluation	June 2013
Trade Development Facility	INH726	World Bank implementation completion report	End of project evaluation	August 2013
Laos-NGO Cooperation Agreements	ING310	Independent completion report	End of project evaluation	June 2014
Poverty Reduction Fund	INJ573	Mid-term review led by World Bank	To assess progress and implementation performance against outcomes set out in the result framework and to recommend actions for improvement and changes if needed	November 2013
Food Security Risk & Vulnerability Survey	INJ353	Thematic study led by the Food and Agriculture Organization	To understand: (1) levels of food insecurity in the country (ii) determinants of food insecurity (iii) vulnerability to natural hazards (iv) linkages between food insecurity and malnutrition	July 2013
Lao PDR Rural Electrification	INH748	Household survey Impact evaluation	Households survey impact study on the welfare benefit of rural electrification in Laos	July 2013
Poverty Reduction Fund	INJ573	Household baseline survey impact evaluation	Baseline survey of the target areas	July 2013
Joint Analytical Work on Poverty and Vulnerability in Laos	N/A	Thematic study led by World Bank	To understand the determinants of poverty and vulnerability, poverty dynamic, targeting and education	June 2016

⁵⁵ For example, to inform a future phase of program, to improve existing program or to verify program outcomes.

Annex D: Performance assessment framework

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
Pillar 1 – Education					
All boys and girls complete a full course of quality primary education	Strategy objective 1: mitigation of key constraints to equitable access to a quality basic education in targeted poor geographic areas	In the 56 most educationally disadvantaged districts:		1. Milestone partially met	
Net enrolment and completion rates for primary education increase nationally and in targeted geographic areas		1. Appropriate school infrastructure for primary and pre-primary schools was provided and maintained according to Ministry of Education quality minimum standards, including water and sanitation facilities			
Survival rates for primary education increase nationally and in targeted geographic areas		1.1 Number of schools with new classrooms constructed	1.1.1 A total of 332 schools with new classrooms constructed ⁵⁶	1.1.1. A total of 234 schools (93 DFAT) with new classrooms constructed in 2012–13 (77% of target met by March 2013)	1.1.1 A total of 98 schools (53DFAT) with new classrooms constructed
Ratio of boys to girls enrolled increases nationally and in targeted geographic areas			1.1.2 Safety audit completed	1.1.2 Safety and quality audit plan completed	1.1.2 Safety and quality audit completed
Learning quality increases nationally and in targeted geographic areas		1.2 Number of classrooms built (headline result 8)	1.2 A total of 1766 of classrooms built ⁵⁷	1.2 A total of 1228 (491DFAT) classrooms constructed (76% of target met by March 2013)	1.2 A total of 538 (294 DFAT) classrooms built or upgraded

⁵⁶ Joint Review Mission, March 2012, Aide Memoire (p.5): 332 total for Fast Track Initiative and Australian funded schools.

⁵⁷ Joint Review Mission March 2012 Aide Memoire (p.53 Annex 5): 1766 classrooms (total classrooms to be constructed under Education For All: Fast Track Initiative with Global Partnership for Education and Australian aid funds)

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		1.3 Number of schools provided with water and sanitation facilities	1.3 A total of 107 schools provided with water and sanitation facilities ⁵⁸	1.3 A total of 25 schools provided with water and sanitation facilities (23% of target met by April 2013)	1.3 A total of 90 schools provided with water and sanitation facilities ⁵⁹
		2. Schools of Quality approach is implemented		2. Milestone partially met	
		2.1 Number of schools implementing Schools of Quality approach	2.1 A total of 654 schools implementing Schools of Quality criteria approach ⁶⁰	2.1 A total of 960 schools implementing Schools of Quality approach (training provided to school principals, teachers and village education development committee members)	2.1 A total of 540 schools implementing Schools of Quality criteria approach
		2.2 Number of classrooms renovated to meet physical quality standards (headline result 8)			
		2.3 Number of school officials (principals) trained (headline result 11)	2.3 A total of 1621 school officials (principals) trained on school management ⁶¹	2.3 A total of 1064 school officials (principals) trained in leadership and Schools of Quality approach (66% of total)	2.3 A total of 532 school officials (principals) trained on school management ⁶²

⁵⁸ Data from United Nations Children’s Fund water, sanitation and hygiene proposal for bridging phase.

⁵⁹ Calculation based on percentage of total funds for construction of water and sanitation facilities planned to be spent over year 1 of the program of the total 481 facilities to be constructed (19% of funds).

⁶⁰ Joint Review Mission March 2012 Aide Memoire (p.14): Department of Primary and Pre-primary Education advised number of school principals and Vocational Education Development Centre villages trained (2654 schools/villages) and therefore our assumption is that number is the same number as schools to implement a ‘school of quality’ approach.

⁶¹ Joint Review Mission March 2012 Aide Memoire (p.14): clause 50.

⁶² Joint Review Mission 2012 AM (p.14): clause 50.

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		2.4 Number of teachers trained at pre-primary and primary level (headline result 10)	2.4 A total of 5444 teachers trained (3000 in-service, 1500 primary upgrading, 650 pre-primary in-service, and 400 pre-primary 30 week training) ⁶³	2.4 A total of 3873 teachers (2386 in-service, 1394 primary upgrading, 93 pre-primary 30-week) trained (71% of target)	2.4 A total of 2526 teachers (2114 in-service, 104 primary upgrading, pre-primary in-service, 308 pre-primary pre-service) trained ⁶⁴
		2.5 Village Education Development Committees operational	2.5 A total of 2640 additional Village Education Development Committees operational ⁶⁵	2.5 Village Education Development Committee training took place in 960 villages with 6720 committee members (1271 female)	2.5 A total of 2640 additional village education development committees operational ⁶⁶
		2.6 Number of children provided with nutritional support (headline result 9)	2.6 A total of 14 327 children (4051 from 66 National School Meal Program schools) receive nutritional support ⁶⁷	2.6 A total of 26 657 children provided with nutritional support of which 11 529 are girls (plus 19 098 children, 8442 girls from 227 schools implementing the National School Meals Program with support from Global Partnership for Education)	2.6 A total of 66 000 children (plus 19 000 from National School Meal Program schools) receive nutritional support ⁶⁸

⁶³ Joint Review Mission March 2012 Aide Memoire (pp.13-14): clause 48, 51, 53, 54, 55.

⁶⁴ Joint Review Mission 2012 AM (pp.13-14): clause 48, 51, 53, 54, 55.

⁶⁵ Department of Primary and Pre-primary Education advised that number of villages for Vocational Education Development Centre training is the same as number of principals trained.

⁶⁶ Department of Pre-School and Primary Education advised that number of villages for Village Education Development Committee training is the same as number of principals trained.

⁶⁷ Data from World Food Programme proposal for bridging funds.

⁶⁸ Data from World Food Programme proposal for bridging funds.

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		2.7 Number of children able to access schools that have been made more accessible to children with disability (headline result 14)	2.7 A total of 18 417 children able to access schools that have been made more accessible to children with disability ⁶⁹	2.7 A total of 2500 children able to access schools that have been made more accessible to children with disabilities	2.7 A total of 9235 children able to access schools that have been made more accessible to children with disability ⁷⁰
		2.8 Number of incomplete schools becoming complete (offer all 5 grades of primary)	2.8 A total of 570 incomplete schools became complete (all 5 grades offered) ⁷¹	2.8 No data available	2.8 A total of 570 incomplete schools become complete (all five grades offered) ⁷²
		3. Non-formal approaches for pre-primary and primary education working effectively in remote villages where formal education is not available		3. Milestone partially met	
		3.1 Primary education equivalency program being implemented in remote villages	3.1 Non-formal primary equivalency is functioning in 168 additional villages ⁷³	3.1 Non-formal primary equivalency is functioning in 114 villages with preparations and training to implement in a further 186 villages	3.1 Non-formal primary equivalency is functioning in 186 additional villages (300 villages total) ⁷⁴

⁶⁹ Data from United Nations Children's Fund water, sanitation and hygiene bridging proposal and Catholic Relief Services proposal.

⁷⁰ Data from United Nations Children's Fund Water, Sanitation and Hygiene program – 90 accessible sanitation facilities built, with approximately 100 students (national average) per school. Catholic Relief Services right to learn project only commenced implementation late 2012 with 235 children with disability in target district.

⁷¹ Education For All: Fast Track Initiative program appraisal document results framework target for year three.

⁷² Education for All: Fast Track Initiative project appraisal document – results framework target for year 3.

⁷³ Joint Review Mission March 2012 Aide Memoire (p.17, clause 70): 282 is accumulated number of 114 from year one and 168 from year two.

⁷⁴ Joint Review Mission 2012 AM (p.17, clause 70): 282 is accumulated number of 114 from year one and 168 from year two.

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		3.2 Community-based school readiness programs being implemented in villages with no formal pre-primary system	3.2 Community-based school readiness program commenced in 240 villages ⁷⁵	3.2 Revised plans for pilot of community-based school readiness program to be implemented in 53 villages (24 with DFAT support under the Education for All: Fast Track Initiative), with strong monitoring and evaluation to develop evidence-based lessons learned to inform potential scale up	3.2 Community-based school readiness program piloted in 53 villages, with possible roll out to an additional 276 villages based on pilot results ⁷⁶
	Strategy objective 2: Better management of Laos Government and donor resources available to the education sector by implementing a jointly agreed 10-year education sector framework	1. Use of the 2009–2015 education sector development framework by Laos Government and donors	1.1 Government and development partners map all projects in the sector against the policy planning matrix to identify and monitor alignment of projects with the Education Sector Development Plan	1.1 Milestone partially met Significant progress has been made on strengthening the investment database that monitors investments in the education sector by subsector and activity. Work on mapping investments by objective is continuing, including plans with the Informal Development Partner Working Group to update and verify information in the investment database	1.1 Process established for development partners to regularly verify information in the investment database and to provide updates regarding alignment of projects with the Education Sector Development Plan objectives

⁷⁵ Joint Review Mission March 2012 Aide Memoire (p.20, clause 84).

⁷⁶ Joint Review Mission 2012 AM (p.20, clause 84).

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		2. Development and use of a credible annual costed sector plan by Laos Government and donors	<p>2.1 Format for annual costed sector plans simplified to enable more effective planning and budgeting by provincial and central levels</p> <p>2.2 Revised annual costed sector plan is the single planning and budgeting tool for the sector submission to Ministry of Finance for 2013–14 budget</p>	<p>2. Milestone partially met</p> <p>2.1 Annual costed sector plan format simplified and successful workshops took place with all provinces to create plans for the 2012–13 year</p> <p>2.2 Annual costed sector plans for 2012–13 and initial plans for 2013–14 developed during workshops in late 2012, but plans not yet systematically informing budget process</p>	To be determined
		3. Achievement of Vientiane Declaration goals through the Education Sector Working Group, provincial Education Sector Working Groups and focal groups	<p>3.1 Roles of focal groups within the Education Sector Working Group are clearly established during Education Sector Working Group review</p> <p>3.2 Education Sector Working Group review conducted. Outcome is more results focused work plan that is jointly developed by working group members</p> <p>3.3 Provincial coordination taking place through regional and provincial coordination mechanisms</p>	<p>3.1 Milestone partially met</p> <p>Roles of focal groups within the Education Sector Working Group are clearly established, with terms of reference agreed to during the March 2013 working group meeting</p> <p>3.2 Milestone partially met</p> <p>Education Sector Working Group review conducted and terms of reference being updated to reflect agreed revised structure. Work plan not yet developed, awaiting development of work plans for focal groups</p> <p>3.3 Milestone partially met</p> <p>Provincial coordination mechanisms delayed until focal group structure is stable and active</p>	<p>To be determined</p> <p>To be determined</p>

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		4. Ministry of Education financial, procurement, implementation and monitoring and evaluation capacity strengthened as evidenced by implementation of Education Sector Development Framework/Education Sector Development Plan	4.1 Joint Sector Review Missions strengthened each year. Missions in 2012 and 2013 with stronger development partner involvement in planning reviews, findings feeding into annual sector performance reports and agreements monitored for compliance	4.1 Milestone met Strengthened Joint Sector Review Missions took place in 2012 with over 12 development partners involved and alignment with two program reviews. Findings fed into annual sector performance report for 2012. 2013 Joint Sector Review Mission combined with review of the Education Sector Development Plan, with strong development partner involvement in planning and conducting the review	To be determined
			4.2 Technical assistance mobilised to support Human Resource Development Plan for Education Sector Development Plan	4.2 Milestone met Capacity development specialist engaged to inform the Education Sector Development Plan review, including conducting an initial assessment of sector human resource capacity to inform an human resource plan for a revised Education Sector Development Plan	To be determined
			4.3 Mid-term review of the Education Sector Development Framework/Education Sector Development Plan planned and undertaken in early 2013	4.3 Milestone met Mid-term review of the Education Sector Development Plan commenced April 2012 and is currently underway.	To be determined

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		5. Education expenditure as % of total expenditure (domestic) increases to 18%	5. Recurrent education expenditure at least 15.4% of total recurrent expenditure (domestic)	5. Milestone met Recurrent education expenditure is 18% of total recurrent expenditure (domestic) for 2012–13	To be determined
Pillar 2 – Trade and investment					
Increased trade and investment in sectors which support poverty reduction Growth in, and trade share, of non-resource exports Growth in, and trade share of, trade in services Growth in, and trade share of, sanitary and phyto-sanitary -sensitive agricultural exports Reduction in time and relative cost of shipping containers from key points in Laos to major trading partners Number of days to start-up enterprise reduced Increased female participation in export firms Composition of GDP growth (contribution of non-resources sector) Trade openness	Strategy Objective 3: Policy and institutional impediments to trade and investment addressed in sectors that have high potential to contribute to inclusive growth	1. Trade Facilitation Action Plan developed and being used 2. Substantial closure in the gap between the current legal and regulatory framework on sanitary and phyto-sanitary and basic ASEAN Free Trade Area and World Trade Organization requirements	1.1 Launch of trade portal to harmonise and simplify redundant import-export requirements and publish trade-related information to assist local and international businesses operate in the country 1.2 Mapping and streamlining export-import procedures completed 2.1 World Trade Organization accession achieved 2.2 Sanitary and phyto-sanitary assessment report finalised which sets out regulatory reforms and adjustments required to strengthen sanitary and phyto-sanitary services to support increased agricultural produce trade	1. 1. Milestone met Trade portal launched in June 2012 providing extensive collection of laws, regulations and requirements for import and export to assist private sector 1.2. Milestone met Mapping for export-import procedures simplification completed 2. Milestone met 2.1 World Trade Organization accession achieved in February 2013 2.2 Sanitary and phyto-sanitary legal assessment report finalised in March 2013	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		3. Improved Legal Environment for investment facilitation	3. World Trade Organization assesses that Lao investment regulatory regime complies with requirements.	3. Milestone met World Trade Organization assesses Lao investment regulatory regime complies with requirements (equal treatment of foreign and domestic investment)	
		4. Improved knowledge and understanding of the gender dimension of increased trade integration, informed by analytical work on the linkages between gender and trade	4. Consensus reached on policy actions required to address constraints to gender employment growth and business ownership in the trade sector. Documented in the updated Diagnostic Trade and Integration Study	4. Milestone met Recommendations provided to address constraints to gender employment growth and business ownership in the trade sector. Documented in the updated Diagnostic Trade and Integration Study	
Pillar 3 – Rural Development					
Less than one quarter of the population living below the national poverty line In targeted geographic areas: reduction in poverty rates reduced gender disparities in these statistics	Strategy objective 4: Deliver and model effective programs that result in equitable and sustainable improvements to livelihoods in targeted poor geographic areas	In nine of Lao PDR's poorest districts: 1. Improved livelihoods evidenced by reduced rice shortages and use of land cleared of unexploded ordnance	1.a Number of poor rural households involved in community-based livelihood activities 1.b Number of hectares of land cleared and released. Number of individuals who are benefiting from cleared land 1.c Evidence of less rice shortages	1.a Community-based livelihood activities involving 455 poor rural households 1.b Clearance and release of 44 hectares of agricultural land benefiting more than 2804 individuals including 1251 women 1.c 155 families in nine villages no longer experience rice shortages due to improve irrigation system	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		2. Evidence that disaster management planning interventions are improving government and community capacity to assess a crisis situation and implement appropriate an emergency response	2.b Evidence that disaster management plans are being maintained, implemented, and used effectively by government and communities	2.b Completion of 2011 emergency response activities through district management committees in three provinces	
		3. Vulnerable women benefiting from gender sensitive livelihood, capacity building and participation strategies as evidenced by reduced workload and improved general health outcomes	3.a Number of women benefitting from non-government organisations' strategies for gender equality, disability and ethnic inclusion	3.a At least 13 518 women with access to improved rural roads, convenient water and sanitation system, and unexploded ordnance-cleared lands as non-government organisations develop practical inclusion strategies	
			3.b Number of women benefitting from access to essential health care services, improved rural roads and water and sanitation systems	3.b Milestone met. 1087 pregnant women access regular pre natal consultation and 112 safer birth deliveries by health care officials	
				3.c More than 141 women with reduced work burden	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		4. Best practice approaches on integrated unexploded ordnance and disaster risk reduction, livelihood and food security, and community resilience are: 4.1 shared with and adapted by development partners and partner government at the local and central levels	4.1.a Program evaluation workshop and annual evaluation workshop undertaken with effective participation by relevant government agencies and other relevant rural development partners 4.1.b Evidence that Laos–Australia NGO Cooperation Agreement program good practice is influencing the Lao Government and donor policy and programs stakeholders	4.1.a Milestone partially met. Annual evaluation workshop undertaken with effective participation of non-government organisation partners. Relevant government agencies and rural development stakeholders were not invited to the workshop 4.1.b Milestone partially met. The program’s Disaster Information System has been identified by the National Disaster Management Office as a disaster risk reduction approach that can be, and will be, increased across the country, resources permitting	
	Strategy objective 5: Improved prioritisation, delivery efficiency and coordination of mine action activities	4.2 being sustained by communities in partnership with the government after the cessation of project inputs At the central level, better quality control and assurance processes and systems within the National Regulatory Authority for the unexploded ordnance/mine action sector and UXO Lao which leads to zero-accident and environment-friendly outcomes	1.a At least 2500 hectares of land released from unexploded ordnance contamination	1.a Milestone partially met. A total of 831 hectares of unexploded ordnance contaminated land was cleared with Australia’s support (Australia shares 30% of total trust fund in 2012–13) to UXO Lao against total sector wide target of 2500 hectares	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
			1.b Quality assurance and quality control teams regularly conduct quality assessment and control of clearance operations	1.b Milestone partially met. one quality assurance/quality control team has not been set up	
			1.c Zero unexploded ordnance-related accident for de-miners	1.c Milestone met. No accidents reported	
		2. Evidence of gender considerations integrated into unexploded ordnance clearance prioritisation process, and access to cleared lands and victim assistance services	2.a Number of women with access to rehabilitation services of land	2.a Milestone met. Women improved access to services. COPE supported a total of 818 people with disability: 580 men and 238 women. Of this number 205 were unexploded ordnance survivors (60 female). With the Australian Government's contribution, which represents about 20% of COPE's total funding, COPE supported 164 people with disability: 116 men, 48 women including 48 men and 12 women were unexploded ordnance survivors	
			2.b. Number of women benefiting from unexploded ordnance clearance	2.b Milestone not met. Data is not available for the sector report	
	Strategy objective 6: Improved rural infrastructure, particularly roads and electrification	1. Increased number of households with access to improved rural infrastructure			

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		1.a. Number of additional households with access to improved roads	<p>1a.1 Northern Transport Network Improvement Project: (Australian outputs) 30 kilometres of section V of the main road paved providing improved road access to 6138 people and 1234 households</p> <p>1a.2 Northern Transport Network Improvement Project: rural feeder roads (Australian outputs) contract signed, equipment mobilised on sites and civil works commenced</p> <p>1a.3 Northern Transport Network Improvement Project: 90% of total project completed</p>	<p>1a.1 Milestone exceeded. 58 kilometres of section V of the (main road) paved, providing improved road access to 8000 people and 1500 households</p> <p>1a.2 Milestone met Four contracts have been signed. Civil work started in January 2013</p> <p>1a.3 Milestone met Physical progress 90% of total project completed</p>	
		1.b. Number of additional households with access to main grid or off-grid electricity	<p>1b.1 Rural Electrification Program Phase 1: (Australian outputs) national grid access to an additional 5650 households</p> <p>1b.2 Rural Electrification Program Phase 1: (Australian outputs) off grid electrification to 5220 households</p>	<p>1b.1 Milestone partially met (Australian outputs) national grid access to an additional 2193 households</p> <p>1b.2 Milestone exceeded (Australian outputs) off grid electrification to 6800 households</p>	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
			1b.4 Rural Electrification Program Phase 1: All project components completed	1.b.4 Milestone partially met A total of 65 897 households electrified on grid and off grid, exceeding 65 000 households target. Some activities not yet complete	
		1.c. Kilometres of roads constructed, rehabilitated or maintained	1.c. Poverty Reduction Fund –kilometres of rural access roads constructed, rehabilitated or maintained	1.c. Milestone not met Ten kilometres of rural access roads constructed and rehabilitated	
		1.d. Number of people provided with increased access to safe water	1.d Poverty Reduction Fund – number of people provided with increased access to safe water	1.d Milestone not met A total of 5233 people (2550 women) provided with increased access to safe water	
		2. Increased number of poor rural women with access to improved rural infrastructure	2.a.1 Northern Transport Network Improvement Project: (Australian outputs only) 3042 women with access to upgraded section V of main road	2.a.1 Milestone fully achieved More than 4000 women with access to upgraded section V of main road	
			2.a.2 Northern Transport Network Improvement Project: number of women with access to upgraded roads not yet known – will be assessed in benefit monitoring survey after the project completes	2.a.2 Milestone in progress Will be assessed through benefit monitoring survey after the project completes	

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
		3. Increasing integration and implementation of mitigation measures relating to social safeguards (HIV, trafficking, road safety) and environmental impact in rural infrastructure interventions	<p>3.a. Northern Transport Network Improvement Project: evidence that project implementation is fully compliance with social safeguard framework</p> <p>3.b. Rural Electrification Program Phase 1: evidence that World Bank social safeguard and environmental policies are being adhered to such as re-settlement policy framework, ethnic people's development plan, environmental safeguards</p>	<p>3.a. Milestone met Recent joint supervision in December 2012 confirmed that there were no complaints or issues associated with re-settlement processes. The HIV/AIDs trafficking and road safety teams continue working on site</p> <p>3.b. Milestone met Evidence from the implementation completion report and results mission in December 2012 confirmed that environmental and social safeguards policies have been complied with. For both Electric due Laos and the Ministry of Energy Mines components, environmental management plans and safeguards operational manuals were prepared and implemented. Potential impacts were identified and managed by applying good construction practices. Public consultations were carried out before the installation, and ethnic minority communities were prioritised for assistance</p>	
<i>Strategy wide objectives</i>					
	Human resource development through tertiary education	Number of people awarded tertiary scholarships (headline result 16)	51 (26 Female)	1. Milestone partially met 47 scholarships awarded, including to 22 women	Not applicable

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective indicators (2015)	2012–13 milestone targets	2012–13 milestone achievements	2013–14 milestones
	scholarships		70 Laos–Australia National Scholarships (35F), explore possibility of extending scholarships to provincial universities	2. Milestone met Laos–Australia National Scholarships design finalised and interim management arrangements put in place with Vientiane College. 70 provincial students (35 women) selected for national university scholarships program scholarships in November 2012	Not applicable
	Provide humanitarian assistance in the case of disaster or humanitarian crisis	Number of vulnerable women, men, girls and boys provided with life-saving assistance in conflict and crisis situations (headline result 29)	Not applicable	Emergency activities were supported to reach around 73 400 (34 895 women). These included providing people with basic relief items, distributing agricultural seeds and livestock, carrying out urgent repairs to irrigation systems, clearing flooded rice fields, constructing and repairing weirs and re-stocking fish ponds	Not applicable
		DFAT disaster responses launched within 48 hours of a request for assistance with humanitarian crises (headline result 30)	Not applicable	The Australian embassy approached government to offer humanitarian assistance after a series of storms that led to extensive flooding	Not applicable

Annex D.1: Performance Assessment Framework 2013–14 (for trade and investment and rural development)

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2013–14 milestones targets
<i>Pillar 2 – Trade and Investment</i>			
Increased trade and investment in sectors which support poverty reduction	Strategy objective 3: Policy and institutional impediments to trade and investment addressed in sectors that have high potential to contribute to inclusive growth	1. Key elements of the Trade Facilitation Action Plan have been implemented	1. Trade Facilitation Secretariat met to implement action plan and resolve trade facilitation issues
Trade share of GDP			
Non-resource sector share of GDP		2. Reform of laws and regulatory measures affecting services trade	2. A regulatory assessment commenced to identify measures affecting services trade
Non-resource sector growth and share of total trade			
Trade in services growth and share of total trade			
Improved logistic performance		3. Effective trade diversification and trade competitiveness programs in place supporting industries which contribute to inclusive growth	3.1 Business assistance unit established
Reduction in number of days required for services firms to obtain operating licences			
Reduction in number of days to clear exports			
Reduction in number of days to clear imports			
			3.2 A preliminary assessment of the Lao PDR labour inspectorate commenced, including an assessment of current weaknesses in capacity for the execution of labour inspections in the

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2013–14 milestones targets
		4. Improved inter-trade agency and trade donor program coordination and policy dialogue with a focus on challenges and opportunities pertaining trade and private sector development	<p>4.1 Stronger Ministry of Industry and Commerce national implementation unit support for the trade and private sector working group (TPSWG) – [as evidenced by: quality of coordination services provided; quality of technical advice provided; quality of TPSWG agendas and discussion]</p> <p>4.2. trade challenge fund established</p> <p>4.3. trade research program established</p>
<i>Pillar 3 – Rural development</i>			
Halve, between 1990 and 2015, the proportion of people under the national poverty line	Strategy objective 4: Improve inclusive access to finance, productive assets, and market opportunities	4.1 Number of additional poor women and men able to access social transfers (such as cash or in kind transfers including food)	4.1 Total of 5700 additional poor women and men able to access social transfers
Achieve full and productive employment and decent work for all		4.2 Productive assets accumulated by poor households (to be confirmed)	4.2 Value of to be accumulated assets by poor households
Halve, between 1990 and 2015, the proportion of people who suffer from hunger		4.3 Ministerial support for a social protection policy/program in Laos	4.3 Government support for the assessment outcomes of the national social protection floor dialogue
		4.4 Number of poor women and men who increase their access to financial services	4.4 Total of 25 300 additional poor women and men who increase their access to financial services
Reduction in poverty in			

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2013–14 milestones targets
communities benefiting from Australian aid investments		4.5 Number of poor women and men attending the financial literacy program in target districts	N/A
		4.6 Bank of Laos regulation on greater outreach of financial services for the poor	4.6 Bank of Laos support for regulations on making financial services more accessible to the rural poor
		4.7 Number of additional poor women and men with increased incomes	4.7 At least 600 poor women and men with increased incomes
		4.9 Number of hectares of productive land released from unexploded ordnance contamination	630
		4.10 Government support for a sustainable unexploded ordnance sector as evidenced by:	4.10 Government of Laos asked National Regulatory Authority to submit budget proposal
		national budget allocation for unexploded ordnance clearance operations	
	Strategy objective 5: Improve physical access to markets and basic services	competitive government salaries	
		5.1 Number of km rural roads constructed and rehabilitated	5.1.1 Northern Transport Network Improvement Project. At total of 56.7km rural paved roads built

Laos development outcomes 2015	Australia country strategy objectives 2015	Strategy objective Indicators (2015)	2013–14 milestones targets
			5.1.2 Poverty Reduction Fund. At least 60km low volume traffic rural roads constructed and rehabilitated
		5.2 Number of additional women and men with improved access to rural roads	5.2 Number of additional women and men with improved access to rural roads (Northern Transport Network Improvement Project and Poverty Reduction Fund)
		5.3 number of people provided with increased access to safe water	5.3 Poverty Reduction Fund – number of people provided with increased access to safe water
		5.4 Ministry's support for rolling out the technical standards (construction and maintaining rural low volume road) for national implementation	5.4.1 Technical standards and maintaining of rural low volume road revised and developed 5.4.2 Training on technical standards and maintaining of rural low volume road to districts engineers conducted