

PROGRAM DESIGN DOCUMENT  
for  
LAOS AUSTRALIA NATIONAL SCHOLARSHIPS

9 August 2011

*The views expressed in this document do not necessarily reflect the views or policies of the Governments of Lao PDR or Australia or of any organisation or individual consulted.*

## Acronyms and Abbreviations

ADB	Asian Development Bank
ADS	Australian Development Scholarships
ALA	Australian Leadership Awards
ASP	Academic Support Program
AusAID	Australian Agency for International Development
CU	Changpasack University
DCS	Australia–Laos Development Cooperation Strategy, 2009–15
DEB	District Education Bureau
DHE	Department of Higher Education
ESDF	Education Sector Development Framework
GDP	Gross Domestic Product
GoA	Government of Australia
GoL	Government of Laos
HEI	Higher Education Institution
HRD	Human Resource Development
JSP	Joint Selection Panel
LAK	Lao Kip
LANS	Laos-Australia National Scholarships
Lao PDR	Lao People's Democratic Republic
LASP	Laos-Australian Scholarships Program
LDC	Least Developed Country
MC	Managing Contractor
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MIS	Management Information System
MoES	Ministry of Education and Sports
NGPES	National Growth and Poverty Eradication Strategy (2003, 2005)
NSEDP	National Socio-Economic Development Plan
NUOL	National University of Laos
NUOL PS	National University of Laos Provincial Scholarships
PDD	Program Design Document
PES	Provincial Education Service
PSC	Program Steering Committee
Pre-ADS	Pre-Australian Development Scholarships
SAO	Student Affairs Office
SHEP	ADB Strengthening Higher Education Program
SU	Souphanouvong University
ToR	Terms of Reference
TTC	Teacher Training College
TVET	Technical and Vocational Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
VC	Vientiane College



## LAOS AUSTRALIA NATIONAL SCHOLARSHIPS

### EXECUTIVE SUMMARY

Lao People's Democratic Republic (Lao PDR) has a very ethnically diverse population of nearly 6.5 million<sup>1</sup>. Despite considerable progress over three decades of independence<sup>2</sup>, Lao PDR remains one of the poorest countries in the Asia-Pacific region, and in 2010 had a Gross Domestic Product (GDP) per capita of only US\$1,164. Lao PDR has a development goal to "graduate" from the status of Least Developed Country (LDC) by the year 2020. In Lao PDR, development is guided by an overarching Government of Laos (GoL) policy - the 7<sup>th</sup> *National Socio-Economic Development Plan* (NSED) 2011-2015 and in March 2011, the 9<sup>th</sup> Party Congress of the Lao PDR formally recognised education as a key 'breakthrough' to achieving the country's development goals.

Good quality, inclusive education is essential to build human capital and a well-skilled labour force to underpin a modern competitive economy<sup>3</sup>. While access to education in Lao PDR is broadest at the primary level, it is more constrained at the lower secondary level, and still more constrained at other levels. Constraints on access are due to poverty (the poor participate less at every level of education than the non-poor); location (those who live in accessible areas participate more than those in remote areas); population density (urban populations participate more than rural or remote populations); gender (males participate more than females in most sub-sectors); and language (those who speak Lao as a first language participate more than others).

The World Bank has found that tertiary education can offer better opportunities and life chances for students from low income and ethnic groups, thereby increasing their employability, income prospects and social mobility, and decreasing income inequality. Tertiary education in Lao PDR is provided through five public universities: the National University of Laos (NUOL) and the University of Public Health Sciences (UPHS) in the Vientiane Capital, Champasack University and Savannakhet (SKU) in the southern provinces and Souphanouvong University in the north. In 2010, 39,569 students were enrolled in Bachelor's degrees at these universities. Development of this sector is guided by the Educational Sector Development Framework for 2009-15 and the Five Year Education Sector Development Plan 2011-2015, developed by the Ministry of Education and Sports (MoES) in consultation with development partners. Ongoing changes to the tertiary sector can also be expected over the next ten years as part of the ADB funded *Strengthening Higher Education Project* (SHEP).

Australia's development cooperation in Laos is guided by the *Australia Laos Development Cooperation Strategy 2009-15* (DCS) and the *AusAID Mekong Water Resources Program Delivery Strategy 2009-12*, which are both aligned with Lao development policy priorities (NSED) and Millennium Development Goal (MDG) performance. The DCS goal is "To assist Laos reduce poverty and achieve sustainable development" through a focus on education, trade and investment and rural development to contribute to sustained and broad-based poverty reduction in Laos. The DCS also identifies a number of strategy-wide approaches, one of which is skills development through support for tertiary scholarships.

As a component of the Lao-Australian Scholarships Program (LASP), the Australian Government funded the National University of Laos Provincial Scholarships (NUOLPS) program from 1997 to 2009. The NUOLPS was established to help provincial people gain access to higher education at the NUOL, by paying fees and a monthly stipend for the first two years the students were enrolled in the compulsory School of Foundation Studies. There have been 484 NUOLPS awards, almost half of them to women. Since the NUOLPS began there were a number of changes to the higher education system, including the establishment of the two provincial universities, and to the Foundation Studies system. With these changes making the program appear increasingly anachronistic, AusAID suspended new awards for 2009/10 and undertook a review and redesign exercise.

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<sup>1</sup> Bopha (2007).

<sup>2</sup> AusAID Country Strategy, 2009-15.

<sup>3</sup> Tajima (2011).

The NUOLPS review was carried out in 2009 and involved consultations with a wide range of stakeholders including government officials, and staff in the universities. The review<sup>4</sup> found that the NUOLPS had offered substantial support to students who might otherwise have had a significantly more difficult time completing their studies. It concluded, however, that: (i) the aims and objectives of the NUOLPS no longer reflect best practice and should be reformulated; (ii) the two-year duration of the awards should be revised; (iii) scholarships should be available to students studying at any of the three public universities; (iv) “strategy priority areas” should be targeted and a list of supported study areas determined; (v) ADS as a future goal for national university scholarship awardees proved elusive, however the English lessons were valuable and should be retained; (vi) any new program needs to be promoted in the provincial universities and in the upper secondary schools; (vii) the selection process should be modified to involve a wider range of stakeholders; (viii) outsourcing management of the scholarships should be seriously considered as an option; and (ix) any new program should be underpinned by a monitoring and evaluation (M&E) system.

An initial draft Program Document Design (PDD) for a new scholarships program, the Laos Australia National Scholarships (LANS) Program, was developed in 2009. This draft was updated in July 2011, as part of a desk-based assignment to reflect changes in the Laos education sector since the initial draft design, relevant comments from Vientiane College (VC) and a gender and disability inclusive approach. The overall approach to the design of the LANS Program is for it to:

- more closely reflect the intended program objectives;
- be relevant, through a more direct relationship to the development priorities under the DCS;
- be gender and disability inclusive;
- incorporate lessons learnt from the NUOLPS review and other AusAID learnings;
- fit within the current approved budget but be able to be scaled up should additional funding become available;
- be consistent with ADS policies, procedures and systems where appropriate;
- be sustainable, through being simple in design so as to be progressively transferred to management by the universities;
- be based on good governance, transparency and accountability principles; and
- be flexible to be able to respond to a changing higher education sector, including the input of other donors, through incorporating a regular review process.

The goal of the overarching Lao Australian Scholarships Program is “*To promote effective Human Resource Development and foster future leaders in order to enhance sustainable development and poverty reduction in the Lao PDR*”. Under this goal, the purpose of the Laos Australia National Scholarships program is, through the provision of scholarships for university education in Laos, “*To assist students from disadvantaged backgrounds to acquire relevant knowledge, skills and qualifications to improve their employment opportunities and so that they can facilitate capacity building in priority development areas*”. In doing so, the program also works to reduce poverty, to strengthen the Laos higher education system and to support other development activities supported by AusAID.

The objectives of the LANS Program are to:

- Support academically able female and male students from disadvantaged backgrounds to complete a degree program at a Laos public university;
- Help address the critical human resource needs in priority development sectors and areas in Laos; and
- Improve organisational capacity in the management of scholarships and provision of student services in the public universities in Laos.

The program components will include: promotion of the scholarships, management of the application process, management of the selection process, on-award support for awardees, management of the Academic Support Program (ASP), post-award support for graduates, promotion of institution strengthening and program management.

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<sup>4</sup> A Review of the National University of Laos Provincial Scholarships Program, Vientiane, 16 November 2009.

Key features of the LANS Program (and differences from the previous NUOLPS) include:

- extension of the program from NUOL in 2011/12;
- extension of the program to two other public universities, CU and SU in 2013/14, subject to the outcomes of a feasibility study in 2012;
- expansion of the number of awards - to 70 new awards per annum for NUOL, and 22 and 20 for CU and SU respectively (from the 64 new awards per annum under the NUOLPS);
- an extension of the award length to cover the full length of the undergraduate degree (NUOLPS awards were for two years only);
- explicit targeting of disadvantaged students - females, ethnic groups, students from socio-economic and/or educationally disadvantaged backgrounds (in 47 poorest districts and/or 56 most educationally disadvantaged districts as identified by the GoL) and students with disability (under NUOLPS, there was an equal number of awards to all provinces except Vientiane Capital);
- explicit targeting of students undertaking courses in fields of study that are aligned with the DCS (i.e. in the areas of education, rural development, governance, trade, infrastructure and sciences, and natural resource management);
- applications sought from women, and awards to continue to made to women and men equally;
- applications actively sought from people with a disability, and a budget in the program to provide these awardees with supplementary support if required;
- more extensive award allowances, including payment of compulsory university fees, an accommodation allowance payable for the whole year and a monthly stipend for when awardees are attending university to reflect the needs of students from disadvantaged backgrounds (NUOLPS payments were for eight months a year only);
- a more extensive Academic Support Program providing training for six hours a week in English or Lao language and study/life skills;
- strengthened governance arrangements through a Program Steering Committee (PSC), and at each of the universities a Joint Selection Panel (JSP);
- LANS alumni invited to join the Australian Scholarships Alumni Association;
- provision for a formal training plan to provide capacity development initiatives for university and MoE staff involved in scholarships management;
- development of a simple and robust LANS Management Information System (MIS); and
- more extensive M&E throughout the scholarships cycle, including monitoring of program management and outputs as well as the evaluation of longer term impact.

AusAID Vientiane will be responsible for the overall strategic direction, management and approval of the program, including high-level consultations and negotiation with the GoL and development partners. The GoL, through the MoES, will contribute to the relevance and effectiveness of the program through, amongst other things, membership on the PSC and provision of advice regarding changes in the education sector, other donor programs, the targeting of disadvantaged awardees and the fields of study that will support priority areas of development.

As a new and flexible program that is subject to change over the first few years, the LANS Program will initially be outsourced to a local contractor experienced in scholarships management. AusAID currently has a contract with the Vientiane College (VC) for scholarship management under LASP, including a component for local scholarship management if required. The most cost-effective solution for LANS management and one which will allow the fastest start-up of the program, is to include the required LANS management services under this contract. VC has indicated its preparedness and capacity to also undertake this role.

The LANS Program will be managed on a day-to-day basis by the Managing Contractor's (MC) Program Manager/Training Coordinator. Additional resources may be required for peak processing times (for example application shortlisting) and as awardee numbers increase. A senior VC staff member will oversee the work of the LANS Program Manager and attend PSC meetings. The MC will: set up all initial structures to establish the program; convene the PSC and JSP; promote the program; shortlist and support the JSP to select awardees; manage the ASP; provide LANS-specific and generic training to university staff; maintain

the LANS MIS; manage program finances including payment of stipends and ASP staff wages; undertake risk management; and monitor, evaluate and report on the program.

The DCS indicates that, depending on GoL performance, AusAID will increasingly move from projects that have their own administrative and delivery mechanisms to approaches that are better integrated with government systems. One of the pillars of the LANS Program is that, through participation in the program, university capacity to manage scholarship processes and to provide student support will be improved. This will be achieved through the participation of the universities in efficient and responsive LANS management and the progressive transfer of LANS management responsibility to the universities. This transfer will need however, to be at a pace that can be effectively and efficiently managed by the institutions whilst safeguarding ongoing achievement of program aims and objectives.

The three stages in the transfer of management of LANS activities are for:

1. Each university to undertake responsibility for a sub-set of program activities at their institution (initially joint program promotion, application receipt, facilities for the ASP, membership of the PSC and JSP and some M&E activities).
2. Each university to undertake responsibility for all the program activities at their institution (including application eligibility checking and shortlisting, secretariat services for the JSP and ASP management).
3. Universities to effectively manage LANS activities at their institution, and the MoES to then assume overall program management responsibility (as currently undertaken by the MC).

University capacity will be developed through LANS-specific training, MC provided generic training sessions (such as on student counselling and M&E), participation in ASP training, membership of program committees and panels, work-experience at the MC's office and involvement in program reviews and M&E activities. AusAID will pay the institutions an agreed administration fee for the services it provides for the program. In line with a results-based approach, an incentive component should be paid if the university meets agreed performance standards (for example on timeliness of provision of awardee results). The rate at which LANS management will be progressively transferred to the universities will depend on an assessment of their willingness and readiness to assume the responsibilities, particularly of robust, merit-based and transparent awardee selection. The fiduciary risks, including payment of ASP teacher salaries and awardee stipends, will also need to be assessed as being modest and manageable.

In order to introduce the program in 2011/12, and to reduce risks, LANS implementation will be phased across the three universities. Awards will be made available for students at NUOL during the 2011/12 academic year. AusAID has already had a scholarships agreement with NUOL and the university is experienced in providing scholarships support, providing some confidence that scholarships can readily be re-introduced at the institution during its first year. Given the planning and resources that would be required for introducing the scholarships at CU and SU, it would be too much of a risk to commence the program at these universities in the first year of the program, particularly given their limited capacity and experience. Subject to a feasibility study in 2012, awards would be offered for CU and SU in the 2013/14 academic year. Phasing the introduction of the awards to CU and SU will also enable the MC to refine the necessary program processes and policies, and allow time to reach agreement with the two universities regarding their participation in the program, and any support (training, resources etc) required.

Given the extent of program establishment tasks that need to be undertaken by AusAID and the MC before the scholarships cycle can commence, the first LANS intake will not be able to follow the timing for a typical scholarships cycle. An indicative schedule for the first intake would be for program establishment to be undertaken between August and October, program promotion and application receipt in November, shortlisting, interview and award offer in December, orientation and payment of LANS allowances in January and commencement of the ASP in February 2012. A delayed start at CU and SU would allow for a full cycle of award management, with award promotion commencing in January 2013, for scholarship awards in October 2013.

Based on the proposed intake of new awards at each of the universities, with an estimated five per cent attrition rate per annum, and an assumed average 4.5 years of undergraduate study, the program will commence with 70 awardees in Year 1, increasing with new intakes and the addition of CU and SU in the

program to 243 awardees in Year 3, and an indicative maximum of 475 awardees by Year 7 of the program. At this time, there would be approximately 100 awardees graduating from university each year.

With increasing numbers, the total LANS cost increases from an estimated AUD\$207,600 per annum in Year 1, to AUD\$595,000 by Year 4. Given the establishment costs and scale economies with increasing student numbers, the average per annum cost of a LANS award per person varies from AUD\$2,950 in Year 1 (when there is high program establishment costs) to AUD\$1,730 in Year 4 (when there are scale economies with awardees at all three institutions). By the fourth year, the total direct allowances (which include a stipend of 400,000 kip per month), payable to, or on behalf of the student, represents almost 50% of the cost of the award. This is a modest scholarship, especially when compared with the cost of sending a student overseas to study.

The costs are indicative, as for example, actual costs are subject to: negotiation with the proposed MC on its management fee; negotiation with the universities on the administration fee and any incentive funding; different compulsory university fees at the three institutions; the amounts approved following the review of the stipend/ allowances; changing exchange rates; and actual award length. One of the first tasks of the MC will be to prepare a more accurate budget through updating the indicative expenditure based on approved stipend allowances, agreed MC fees and exact charges in each university. Program funding will comprise an agreed MC management fee and any agreed institution administrative fees, with all other funding on a reimbursable basis (for example for awardee allowances and JSP costs).



## Table of Contents

1	BACKGROUND .....	1
2	ANALYSIS AND STRATEGIC CONTEXT .....	2
<b>2.1</b>	<b>Country and Sector Background .....</b>	<b>2</b>
2.1.1	Development Context.....	2
2.1.2	Laos Development Agenda .....	3
2.1.3	Education Sector .....	4
<b>2.2</b>	<b>Problem Analysis.....</b>	<b>5</b>
2.2.1	Socio-economic and educational disadvantage .....	5
2.2.2	Relevance to national development priorities .....	5
2.2.3	Higher Education Capacity .....	6
<b>2.3</b>	<b>Lessons Learned .....</b>	<b>6</b>
<b>2.4</b>	<b>Australia’s Support for Laos.....</b>	<b>7</b>
<b>2.5</b>	<b>Rationale for AusAID Involvement .....</b>	<b>8</b>
<b>2.6</b>	<b>Consistency with Other Donor Programs .....</b>	<b>10</b>
3	PROGRAM DESCRIPTION .....	10
<b>3.1</b>	<b>Goal and Objectives .....</b>	<b>10</b>
<b>3.2</b>	<b>Components .....</b>	<b>12</b>
<b>3.3</b>	<b>Laos Universities in Program.....</b>	<b>13</b>
<b>3.4</b>	<b>Scholarship numbers .....</b>	<b>13</b>
<b>3.5</b>	<b>Fields of Study Supported .....</b>	<b>14</b>
<b>3.6</b>	<b>Eligibility Criteria .....</b>	<b>15</b>
<b>3.7</b>	<b>Selection .....</b>	<b>16</b>
<b>3.8</b>	<b>Scholarship Benefits.....</b>	<b>17</b>
3.8.1	Length of scholarship .....	17
3.8.2	Scholarship Allowances .....	18
3.8.3	Academic Support Program .....	19
3.8.4	Pastoral Care .....	20
3.8.5	Terms and Conditions .....	20
<b>3.9</b>	<b>Alumni Support.....</b>	<b>21</b>
<b>3.10</b>	<b>Institution Strengthening.....</b>	<b>21</b>
4	IMPLEMENTATION ARRANGEMENTS.....	23
<b>4.1</b>	<b>Governance .....</b>	<b>23</b>
4.1.1	Overall Program Structure.....	23
4.1.2	Program Steering Committee .....	23
4.1.3	Joint Selection Panels.....	24
<b>4.2</b>	<b>Program Responsibilities .....</b>	<b>24</b>
4.2.1	Partnerships .....	24

4.2.2	AusAID .....	25
4.2.3	Government of Laos.....	25
4.2.4	Managing Contractor.....	25
4.2.5	Institutions.....	25
<b>4.3</b>	<b>Implementation Plan.....</b>	<b>27</b>
4.3.1	Program Establishment .....	27
4.3.2	Program Staffing .....	28
4.3.3	Annual Scholarships Calendar .....	28
<b>4.4</b>	<b>Management Information System .....</b>	<b>29</b>
<b>5</b>	<b>MONITORING &amp; EVALUATION .....</b>	<b>29</b>
<b>5.1</b>	<b>M&amp;E Framework.....</b>	<b>29</b>
<b>5.2</b>	<b>Reporting.....</b>	<b>30</b>
<b>5.3</b>	<b>Program Reviews.....</b>	<b>30</b>
<b>6</b>	<b>FINANCIAL .....</b>	<b>31</b>
<b>6.1</b>	<b>Form of Aid Proposed.....</b>	<b>31</b>
<b>6.2</b>	<b>Procurement .....</b>	<b>32</b>
<b>6.3</b>	<b>Estimated Program Costs.....</b>	<b>33</b>
<b>7</b>	<b>SUSTAINABILITY .....</b>	<b>35</b>
<b>8</b>	<b>CROSS-CUTTING POLICIES .....</b>	<b>36</b>
<b>8.1</b>	<b>Gender Equality .....</b>	<b>36</b>
<b>8.2</b>	<b>Disability .....</b>	<b>36</b>
<b>8.3</b>	<b>Anti-corruption.....</b>	<b>39</b>
<b>8.4</b>	<b>Child Protection.....</b>	<b>39</b>
<b>8.5</b>	<b>Environment .....</b>	<b>39</b>
<b>9</b>	<b>RISK MANAGEMENT .....</b>	<b>40</b>

## Annexes

A: Laos Development Context  
 B : Design Terms of Reference  
 C: Design Consultations  
 D: 2009 NUOLPS Program Review Recommendations  
 E: Component Description and Outputs  
 F: Target Fields Of Study  
 G: Stakeholder Roles and Responsibilities Matrix  
 H: Implementation Schedule (Year 1)  
 I: Program Manager Duty Statement  
 J: Indicative Scholarship Program Calendar  
 K: Monitoring and Evaluation Framework  
 L: Program Reports  
 M: Program Cost Estimates  
 N: Risk Management Matrix

## LAOS AUSTRALIA NATIONAL SCHOLARSHIPS

### 1 Background

The 2006 White Paper on Australian aid emphasises the value of well-targeted scholarships with proper gender balance as a highly effective form of aid that empowers people from developing countries to drive their own national development and reform agenda based on an informed understanding of a developed economy. The Australian Government funded Laos-Australia Scholarships Program (LASP) is made up of three sub-programs:

- the Australian Development Scholarships (ADS), that assist students to undertake tertiary studies in Australia;
- a pre-ADS program for government officials to strengthen their English skills and to help them prepare to apply for the ADS; and
- the National University of Laos Provincial Scholarships (NUOLPS) program with its focus on supporting students from across Laos to access higher education studies (suspended in 2009/10).

These various arrangements cover whole-of-government interests, while providing Laos with more choices and greater flexibility in addressing its human resource development needs.

The in-country scholarship program, the NUOLPS, commenced in 1997 for students studying at the National University of Laos. The NUOLPS was established to help provincial students gain access to higher education, by paying their fees and a monthly stipend for the first two years the students were at university (and enrolled in the compulsory bridging course in the School of Foundation Studies). Since then, changes to the Laos higher education system, including the establishment of public universities in Champasack in the south and Luang Prabang in the north, and the dismantling of the Foundation Studies system made the scholarships appear increasingly anachronistic. As a result, AusAID decided to suspend any new NUOLPS awards for 2009/10 and to undertake a review and redesign exercise.

An in-country review of the NUOLPS was undertaken in 2009<sup>5</sup>. It involved widespread consultations with senior government officials, staff in the public universities and at Vientiane College (VC), a number of NUOLPS awardees and alumni and senior officers in AusAID. The review reaffirmed the importance of the in-country scholarships and recommended a range of enhancements to improve targeting and overall effectiveness. Following that review, an initial draft Project Design Document (PDD) was developed in 2009 for a new in-country scholarship program, the Laos Australia National Scholarships (LANS) Program for scholarships for undergraduate study at three Laos public universities.

In July 2011, the initial PDD was updated as part of a desk-based assignment<sup>6</sup> to reflect changes in the education sector since the initial design, relevant comments from Vientiane College and a gender and disability inclusive strategy. Terms of Reference (ToRs) for the initial and updated design, including the background documents reviewed in developing the PDD are at Annex B. Some additional consultations with AusAID Vientiane, AusAID Scholarships and the AusAID Disability Inclusive Development sections were undertaken as indicated in Annex C.

The Australian Government is a signatory to the international aid effectiveness agenda, as articulated in the 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for Action and the Vientiane Declaration on Aid Effectiveness of 2006. Under these agreements, Australia has made commitments to strengthen and use partner country institutions and systems (including financial systems) to deliver aid; to reduce aid fragmentation and proliferation—which have imposed high transaction costs on partner governments and made aid difficult to manage; and to increase the predictability of aid flows, thereby supporting budget planning of partner governments.

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<sup>5</sup> *A Review of the National University of Laos Provincial Scholarships Program, 16 November 2009. Daravan Phonekeo, Phatsakone Dejevongsa, David McClay*

<sup>6</sup> *Ceri Bryant*

The design approach is for the LANS Program to:

- more closely reflect the program objectives;
- be relevant, through a more direct relationship to the development priorities under the Development Cooperation Strategy (DCS);
- be gender and disability inclusive;
- incorporate lessons learnt from the NUOLPS review and other AusAID learnings;
- fit within the current approved budget but able to be scaled up as part of the proposed AusAID review of human resource development (HRD) support to Laos;
- be consistent with ADS policies, procedures and systems where appropriate (including the component structure);
- be sustainable, through being simple in design so as to be able to be progressively implemented by local universities, supported by the Ministry of Education and Sports (MoES);
- be based on good governance, transparency and accountability principles; and
- be flexible to meet a changing higher education sector in Laos through incorporating a regular review process.

This design document covers a new in-country university scholarships program with a much higher profile, a stronger relationship to the DCS, and a renewed focus on the provision of scholarships to the disadvantaged in Laos. It describes the proposed in-country management arrangements to cover key elements of the LANS cycle including promotion, selection, orientation, on-award support and post-award support and monitoring. It also describes an approach to phased transfer of scholarship ownership and management to the three public universities.

## **2 Analysis and Strategic Context**

### ***2.1 Country and Sector Background***

#### ***2.1.1 Development Context***

Lao People's Democratic Republic (Lao PDR) has a very ethnically diverse population of nearly 6.5 million<sup>7</sup>. The majority of the population (66.2 percent) belongs to the Lao-Tai ethno-linguistic group. There are 49 recognized ethnic groups, categorized into four main ethno-linguistic groups: Tai-Kadai (eight ethnic groups), Mon Khmer (32 ethnic groups), Sino-Tibetan (seven ethnic groups) and Hmong-Yu Mien (two ethnic groups). The cultural diversity of Lao PDR is seen as part of the richness of the society.

Despite considerable progress over three decades of independence<sup>8</sup>, Laos remains one of the poorest countries in the Asia-Pacific region. Many people live below the poverty line and there are major development challenges. Geographically, Lao PDR has no direct access to the sea and the population is scattered along the banks of rivers and across plains. The mountainous conditions along with one of lowest population densities in Asia make it difficult for social services, including education, to reach a significant part of population.

Laos had a Gross Domestic Product (GDP) per capita of only \$US1,164 in 2010. An estimated 29 per cent of the population still lives below \$US1 per day and 74 per cent below \$US2 per day, leaving many poor households vulnerable to shocks that could push them back into extreme poverty. Poverty in Laos is increasingly defined by geography and ethnicity. Approximately 80 per cent of poor people in Laos live in rural areas. Food security and nutrition remain core and intractable issues at the heart of rural poverty. Constraints to future rural development include: inadequate infrastructure; weak education and health service delivery; inadequate potable water and sanitation facilities; weak agricultural support services; limited access to inputs and markets; poor understanding of the impact of climate change; and lack of access to short- and medium-term credit.

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<sup>7</sup> Bouppha (2007)

<sup>8</sup> AusAID Country Strategy, 2009-15

Laos progress towards the Millennium Development Goals (MDGs) is mixed. While Laos has progressed towards some MDGs—namely those related to poverty (MDG 1); gender equality (MDG 3); communicable diseases (MDG 6); safe water and sanitation (MDG 7)—much greater effort will be required if the country is to meet MDG targets, especially with regard to universal primary education (MDG 2) and hunger (MDG 1 target). Government service delivery, particularly in health and education services, is very poor given the weak state of infrastructure and the country's highly dispersed population. Governance standards and institutional capacity are improving. However, Laos scores low in terms of contract enforcement, protection of property rights, transparency and effective public service delivery. Key governance issues include: corruption; the slow pace of public service reforms; the adequacy and enforceability of the rule of law; and limitations imposed on civil society.<sup>9</sup>

Economic growth is increasingly being driven by development of the natural resources sector, which is creating social, environmental and governance issues. The global recession is having an immediate impact on the resource sector and government revenues. In the medium term, resource-sector growth and associated increases in sustained growth and social development. Vast improvements in government services are needed, human capital is extremely low and without a sustained effort to strengthen governance, the benefits of economic growth may not be maximised.

### 2.1.2 Laos Development Agenda

The goal of the Government of Lao PDR (GoL) is to “graduate” from the status of Least Developed Country (LDC) by the year 2020. Government of Laos development policy is guided the 2011-2015 *National Socio-Economic Development Plan* (NSEDP) and the resolution of the 9<sup>th</sup> Party Congress in 2011. The GoL has acknowledged that efforts are needed to promote socio-economic development based on sound macroeconomic management and institutional strengthening, and enhanced human resource development. Human capacity weaknesses at all levels of government and society, ineffective governance and inappropriate policies are seen as critical cross-cutting development constraints.

The targets and directions of the NSEDP to transform the country into a modern and industrial society are:

- ensure continuation of national economic growth with security, peace and stability, and maintain a GDP growth rate of at least eight per cent annually and a GDP per capita of at least \$US1,700 at the end of the plan;
- achieve the MDG and poverty reduction by 2015, adopt appropriate technology and skills, and create favourable conditions for graduating the country from LDC status by 2020;
- ensure sustainability of development by emphasising the links and balances between economic development, cultural and social progress, natural resources preservation, and environmental protection; and
- ensure political stability, peace and an orderly society.

The NSEDP identifies seven directions described as follows:

1. Develop all aspects of the national economy.
2. Make dynamic changes towards rural development and poverty eradication.
3. To make the society just, socio-cultural and economic development must reinforce each other, and promote good livelihoods (both physical and mental) through strong educational reforms and human resource development; for example, through upgrading and expanding educational opportunities. developing the intellect; providing higher education, good health, and sanitation; building better management staff and high skilled workers; continuing to protect and raise the value of national culture together with openings for international exchange; and ensuring increased social welfare in the society.
4. Increase the enforcement and effectiveness of public administration from the central to grassroots levels.
5. Ensure national defence and security and strengthen the armed forces.
6. Increase the skills of workers for them to match with the nation's development.
7. Implement industrialisation and modernisation strategies in a progressive way.

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<sup>9</sup> ADB Country Strategy and Program, Laos People's Democratic Republic, 2007-2011, September 2006

### 2.1.3 Education Sector

The development of human resources to meet the demand of the socio-economic development of the country and thus reducing poverty is an important goal of NSEDP. The NSEDP identifies three "programs" of educational development in the Lao PDR: equity and access; quality and relevance; and strengthened administration and management<sup>10</sup>.

The educational network has been improved<sup>11</sup>, nevertheless, many potential learners remain outside the education system. Access to education is broadest at the primary level, more constrained at the lower secondary level, and still more constrained at other levels. Constraints on access are due to:

- poverty: the poor participate less at every level of education than the non-poor;
- location: those who live in accessible areas participate more than those in remote areas;
- population density: urban populations participate more than rural or remote populations;
- gender: males participate more than females in most sub-sectors; and
- language: those who speak Lao as a first language participate more than others.

These reasons are inter-related. Remote communities tend to be poor and populated by certain ethnic groups. Poor families are less likely to send their children to school than less poor families. Socio-economic differences in educational participation increase with each stage in the education system. The Government aims to widen access patterns to include those groups who do not now participate fully. The GoL Education Law Article 6 (2007) states that: "All Lao citizens, without distinction of ethnic groups, race, religion, gender, age, and socio-economic status, have the rights to education". The Education Strategy aims to upgrade women's education on an equal basis with men's at all levels, including a target participation of 43 percent at university by the year 2010.

Increasing access to education must go together with relevant high quality learning outcomes. The gradual transition of the Laos economy from subsistence agriculture to a technology and service base requires a workforce that is at least literate and numerate. There will be a gradually increasing labour market demand for specialisation in commercial, technical, and professional skills. In addition to the socio-economic dimension, education must also fulfil personal needs for meaningful growth and development.

The Government's third strategic thrust for improving the education system is strengthening education management, importantly through the decentralisation of management. The Ministry of Education and Sports (MoES) has broad oversight of all education development in the Lao PDR, and MoES Department of Higher Education (DHE), which was separated from the Department of Higher, Technical and Vocational Education in April 2008, provides overall policy guidance to public universities, undertakes planning and coordination with other government ministries and agencies for developing the higher education system, and cooperates with development partners in support of higher education. Under the Government's decentralization process, MoES shares responsibilities with the Provincial Education Services (PES) and the District Education Bureaus (DEB). The PESs are responsible for secondary, and technical and vocational schools not under MoES jurisdiction. In cooperation with the PESs and public universities, MoE administers university entrance examinations in each province, while the PESs are responsible for selecting quota students based on upper secondary completion examination scores and recommendations.

At present, higher education in the Lao PDR comprises five public universities. The National University of Laos (NUOL) was established in 1995 by amalgamating 10 higher education institutions (HEIs). Two provincial universities were later established to broaden access to higher education: (i) Champasack University (CU) in Champasack in southern Laos in 2002, and (ii) Souphanouvong University (SU) in Luang Prabang in northern Laos in 2003. Other public higher-education institutions are the Ministry of Health-administered University of Public Health Sciences and the new Savannakhet (SKU) in the South, established in 2009. In 2010, 39,569 students were enrolled in Bachelor's degrees at these universities, 31,555 of which were enrolled at NUOL. The private sector is increasingly contributing to the educational

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<sup>10</sup> 2011-2015 *National Socio-Economic Development Plan* (NSEDP)

<sup>11</sup> *NSEDP*

advancement in the country, through 86 private HEIs, with the number of students increased from 4,000 in 2000 to almost 20,000 in 2007.

While enrolment figures are increasing, in 2007, only about 57 per cent of students graduating from upper secondary school gained access to higher education. This gap between enrolment demand and admission capacity of universities is expected to widen if current trends continue. The public university admission system comprises three types of students: (i) quota students, who are exempt from all fees and receive a small living allowance, account for roughly 50 per cent of total enrolment; (ii) regular non-quota students, who take the university entrance examination and pay a modest registration fee, comprise another 20 per cent of total enrolment; and (iii) an additional roughly 30 per cent of students are enrolled in "special courses" they are not selected from university entrance examination results but sit for entrance examinations of specific faculties; and are charged tuition and registration fees<sup>12</sup>.

The MoES, with technical assistance from the Asian Development Bank (ADB) and AusAID, has developed a Educational Sector Development Framework (ESDF) for 2009-15. The ESDF will entail assessments of the projected expansion in primary, lower and upper secondary, technical and vocation training, non-formal education and tertiary levels, and the impact this expansion will have on the demand for physical facilities, teachers, textbooks, learning materials and institutional and management capacity. The framework will enable: (i) comprehensive projection of education sector resource requirements; (ii) focused and better coordinated external assistance; and (iii) more balanced sector development.

The NUOLPS review noted that the higher education system in Laos is in a state of flux. As a result of the ADB funded *Strengthening Higher Education Project* (SHEP) which commenced in 2010, many more changes can be expected. As an outcome of the *National Education System Reform Strategy* changes to the structure of the school year are being implemented, changes to the quota system have been proposed and these and other changes will also impact upon the universities. All of this suggests the need for a program design that is flexible and that incorporates a regular review process.

## **2.2 Problem Analysis**

### **2.2.1 Socio-economic and educational disadvantage**

Addressing equity has been a longstanding feature of Australia's scholarships engagement<sup>13</sup>. An important consideration in the allocation of scholarships is to avoid disproportionately favouring candidates from major cities, with access to a good education and salaried employment. The provision of scholarships is unavoidably elite, in that scholarships directly support the relative few who have managed to qualify for tertiary study, sometimes through more access to higher quality secondary schools, resources for private tuition, English language courses, and other educational opportunities. However, the provision of scholarships to existing elites—particularly if wealth and power is heavily concentrated regionally, by gender, or by ethnicity—may reinforce existing power relations and may not be effective in promoting the social and cultural cohesion necessary to underpin development.

The ESDF has targeted the 47 poorest districts for priority investments— aligned with the NGPES target groups— where poverty incidence is at its highest. The more recent ESDP targets the 56 most educationally disadvantaged districts, as determined by the low enrolment rates of girls. Poverty is lower in cities than in villages; in areas with roads than those without; along the Thai border than along the Vietnamese border; and in the lowlands than in the uplands. Besides physical location, major causes of poverty include poor public sector delivery, especially in the health and education sectors.

### **2.2.2 Relevance to national development priorities**

Based on an average growth rate of about two per cent, Lao PDR will experience a constant increase in population, with about 55 to 60 per cent of its inhabitants younger than 19 years of age (estimated 4.5 million) predominantly needing general education as well as occupational and professional training. The

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<sup>12</sup> ADB, RRP - Strengthening Higher Education Program

<sup>13</sup> ANAO (2011)

economically active segment of society (20 to 59 years) will increase by about one million persons by 2020. The number of lower and secondary graduates projected to enter the vocational and professional education system for training will increase considerably during the next ten years.

Good quality, inclusive education is essential to build human capital and a well skilled labour force to underpin a modern competitive economy<sup>14</sup>. The absence of overall, consistent, up-to-date labour market data in Lao PDR on the needs of enterprises for skills has been a continuing constraint on national planning<sup>15</sup>. ADB has undertaken a labour market assessment for a proposed program to strengthen linkages between technical and vocational education and training (TVET) and employment demand. A number of other education sector surveys have also been undertaken, although these have focused on planning demand for TVET, rather than for university education.

At present, Laos benefits from robust socio-economic development at an annual growth rate of eight per cent, which is expected to be sustainable over the upcoming years. Comprehensive sector development programs have been prepared in order to increase non-agrarian business diversity and economic development, although Laos is still 75% agrarian. Priority programs have been prepared for mid-term development of various economic sectors especially including small to medium enterprise development, wood processing, industry, tourism, garment industry, construction industry, agriculture, hydropower and mining.

Although Laos will focus on developing vocational skills in accordance with market demand, to fulfil the growing requirements of the country's economic development, there will still be significant and growing demand in the labour market for the university trained. The implication for the design is that, given the current demand for undergraduates, the LANS Program should therefore initially focus on first time undergraduate students only. The extension of the program for postgraduate studies should be reviewed after the impact of the program's first cohort of graduates has been undertaken, or earlier if emerging priority needs for specific postgraduate skills are identified. To maximise impact, and relevance to Australia's other development activities in Laos, LANS awards should be targeted to strategically complement the agreed DCS development priorities and objectives.

### *2.2.3 Higher Education Capacity*

The 2009 ADB Report<sup>16</sup> on higher education in Laos shows that the universities are at an early stage of development and that considerable efforts will need to be made in a number of areas to bring them up to the standard of universities in comparable neighbouring countries. Management and administrative capacity is still limited at many Laos institutions, particularly the provincial ones. The ADB Strengthening Higher Education Program (SHEP) has been working with the public universities since 2010 and further work is planned. SHEP will strengthen the HE system so that it meets the demands for a better trained workforce to support the GoL's goals and objectives. The task includes efforts to further extend and improve (i) equitable access, (ii) quality; (iii) relevance; and (iv) management of the HE system. SHEP will build management, financing and governance of HE system through (i) strengthened management capacity of MOE and public HEIs; (ii) improved HE financing; and (iii) enhanced governance systems for public and private HEIs.

With increasing student numbers, and as the universities already manage the GoL scholarships and provide support to donor funded scholarships, improved capacity in the management of scholarships and provision of student services will contribute to the overall improvement of higher education management.

## *2.3 Lessons Learned*

Recent reviews of Australian scholarship programs have identified lessons that have some bearing on future scholarship program designs. Key lessons most directly relevant to the situation in Laos that have directly influenced the present design include the following:

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<sup>14</sup> Tajima (x). *ADB Policy on Education*

<sup>15</sup> ADB (2010). *Labour Market Assessment*

<sup>16</sup> *Report and Recommendation of the President to the Board of Governors on a Proposed Loan to the Lao People's Democratic Republic for the Strengthening Higher Education Project*. ADB, Manila, 2009



- Any alignment between Australian scholarships and the national country strategies will be coincidental rather than strategic where selection is based entirely on individual merit and no consideration is given to preferred fields of study or the priority needs of employer agencies.
- Student selection that combines academic ability with a rigorous interview process is a critical success factor in terms of positive scholarship outcomes.
- Effective alumni strategies have the potential to contribute to successful Australian Scholarship outcomes by supporting the enhancement of mutual understanding and contributing to linkages between individuals in Australia and partner countries while contributing to program promotion and sustainability.
- Quality in aid delivery and outcomes cannot be assured without post-award monitoring. Knowledge gained from post-award monitoring should serve to influence the types of training provided and optimise the benefits that graduates and their employers derive from the training received.
- An in-country scholarships program can provide valuable funding support for students to attend local institutions and can also lead to institution strengthening.

The 2009 NUOLPS review program identified a number of lessons learnt that formed the basis of the recommendations<sup>17</sup> in Annex D and have been applied in this PDD. The NUOLPS review found that the NUOLPS had offered substantial support to a number of students who might otherwise have had a significantly more difficult time completing their studies. However, there were problems with the way the NUOLPS was structured and the decision to undertake a redesign was timely. The review concluded that: (i) the aims and objectives of the NUOLPS no longer reflect practice and should be reformulated; (ii) the two-year duration of the awards should be revised; (iii) scholarships should be available to students studying at any of the three public universities; (iv) "strategy priority areas" should be targeted and a list of supported study areas determined; (v) ADS as a future goal for scholars has proved elusive, however the English lessons are valuable and should be retained; (vi) any new program needs to be promoted in the provincial universities and in the upper secondary schools; (vii) the selection process should be modified to involve a wider range of stakeholders; (viii) outsourcing management of the scholarships should be seriously considered as an option; and (ix) any new program should be underpinned by a monitoring and evaluation system.

## 2.4 Australia's Support for Laos

Australia has provided development assistance to Laos for more than 50 years. Its aid program is well regarded by the Government of Laos and Australia has played a lead role in facilitating policy discussion and aid effectiveness in the education and trade sectors. The aid program has a high profile, through significant projects including the scholarships program. Australia's aid to Laos for 2009/10 is estimated at AUD\$36.04 million, comprising AUD\$28.1 million in bilateral flows and the remainder through regional and global initiatives. Over the last five years Australian assistance to Laos has focused on improving access to basic education, building skills through the scholarship program, supporting trade policy reform, and supporting rural development through livelihoods enhancement, disaster risk reduction and unexploded ordnance risk mitigation.

To guide Australia's aid effectiveness in Laos, the objectives and indicators of the *Australia Laos Development Cooperation Strategy 2009–15 (DCS)* are aligned and driven by Laos' development policy priorities (NGPES and NSEDP) and MDGs performance, Australian capacities and interests, the performance of previous development assistance strategy and an assessment of the opportunities offering the greatest development returns.

The DCS focuses on three pillars to contribute to the continuation of sustained and broad-based poverty reduction in Laos: education; inclusive growth through trade and investment; and rural development. International experience highlights the crucial role that education plays in development. The centrality of education to Laos' development, the challenges in the sector and Australia's current sectoral leadership role

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<sup>17</sup> A Review of the National University of Laos Provincial Scholarships Program, Vientiane, 16 November 2009.

provide a clear rationale for its stronger engagement. In terms of Pillar 1 (Education), the DCS focus is on primary education to support the GoL achieve its MDG that by 2015 all children in the Lao PDR will receive five years of primary education. Australia also supports the GoL Education Sector Development Framework.

More broadly, the DCS also identifies a number of strategy-wide approaches, one of which is skills development through support for tertiary scholarships. The DCS also suggests that the capacity for the higher education system to offer in-country scholarships as a cost-effective complement to the in-Australia program should be examined. This LANS Program design implements that approach. Given the geographic dimensions of poverty in Laos, a more strategic focus on rural development is warranted. In particular, Australia sees a continuing role for geographically targeted, community-based and community-driven interventions aimed at tackling key constraints to rural development.

In 2009, all the various scholarship programs were put under one in-country management framework providing for the first time a comprehensive design for the management of Australian Scholarships in Laos. The LASP is made up of three sub-programs: the ADS that assist students to undertake tertiary studies in Australia; a pre-ADS program for government officials to strengthen their English skills and to help them prepare to apply for the ADS; and up until 2010, the NUOLPS program with its focus on supporting provincial students from across Laos to access higher education studies.

In addition to ADS, the Australian Leadership Awards (ALA) and the Endeavour Awards, Laos is eligible to receive awards under other sponsored scholarship arrangements offered by: the Australian Centre for International Agricultural Research; the Centre for Transnational Crime Prevention at the University of Wollongong; Carnegie Mellon University in Adelaide; and the Australia-IMF Scholarship Program for Asia. Since 1998, 40 ADS have been annually allocated to Laos and the rate of successful graduations at Australian institutions is extremely high. The ALA Selection Panel can nominate a maximum of ten applicants each year. In 2008, eight Lao applicants were successful in obtaining an award and in 2009, five were successful. Over 700 scholars from Laos have completed tertiary courses in Australia. ADS account for approximately 35 per cent (over AUD\$4.0 million) of Australia's current annual bilateral aid program budget for Laos.

AusAID introduced a new scholarship program to Laos, the NUOLPS in the 1997-98 academic year. These were aimed at supporting suitably qualified Lao students from provincial regions to commence higher education studies at NUOL. Funding was provided for 64 provincial students (a female and male from each province outside the Vientiane Capital) who had already gained entrance to NUOL. A total of 484 scholarships, 259 to men and 225 to women, have been awarded to over 12 cohorts of students. The program was suspended in 2009/10 and all awards have now been completed.

The NUOLPS review found that the NUOLPS had offered substantial support to a number of students who might otherwise have had a significantly more difficult time completing their studies. The NUOLPS has been effective in some areas (gender equality, English provision, assisting socio-economically disadvantaged groups); and less effective in others (ADS as future goal for scholars, equitable provincial distribution); but due to a lack of monitoring, its wider impact was difficult to ascertain.

## **2.5 Rationale for AusAID Involvement**

There is a proven correlation between poverty and education<sup>18</sup>. The incidence and severity of poverty is greatest among preliteracy households. Analysis of household poverty data indicates that every additional year of education the head of household raised the family's welfare by two per cent (NGPES 2004). Thus, even though lack of education may not be considered a direct cause of poverty, increasing the level of education is shown to be one of the necessary factors for poverty reduction. The World Bank has found that

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<sup>18</sup> ADB, 35312

tertiary education can offer better opportunities and life chances for students from low income and other disadvantaged groups, thereby increasing their employability, income prospects and social mobility, and decreasing income inequality. At the same time, the norms, values, ethics and knowledge that tertiary education can impart to students contribute to the social capital necessary to construct healthy civil societies and socially cohesive cultures, as well as to achieve good governance and democratic political systems<sup>19</sup>.

In Lao PDR, constraints on access to education include poverty, remote location, females and students whose first language is not Lao. AusAID's policy agenda is to explicitly link their programs and associated resources to key elements of the government's reforms. To support the GoL policies to reduce poverty in rural areas (as also reflected in the DCS Pillar 3) and to increase equity of access, the implications for the LANS Program design is that it should:

- target disadvantaged candidates (females, students from socio-economic and/or educationally disadvantaged backgrounds and those with disability), using more effective selection procedures;
- provide equal opportunity for female applicants;
- provide a level of living allowance that is appropriate for students with limited financial resources to support their studies;
- provide support for the full duration of the degree in order for students to have the financial resources to complete their qualification;
- support academically weak students from disadvantaged academic secondary school backgrounds through providing a tailored ASP, particularly those from non-Lao speaking backgrounds;
- target fields of study that most directly contribute to rural development; and
- support capacity development in the Laos public universities.

The number of people obtaining overseas qualifications either privately, or through scholarships, will generally be too small to provide the required stock of skilled human capital. For this reason, the quality of tertiary training outcomes in partner countries will ultimately depend on the capacity of in-country institutions to produce sufficient graduates to meet labour market demands.

Despite the many benefits of overseas education (in particular the quality of education and the opportunity to experience living in a developed English-speaking country and forming extended professional networks), the provision of scholarships in-country (compared to overseas) may have the following benefits:

- many students from disadvantaged educational backgrounds are not be able to meet academic or English language entry requirements of overseas institutions;
- there is a high failure rates of students living and studying overseas for the first time;
- the cost of in-country education is normally significantly cheaper than undertaking a similar program overseas;
- locally conducted education may be more relevant, as it is more likely to be based on resources, technologies and work practices used in the Laos workplaces;
- high academic achievers remain in country and are not a loss to capacity development;
- it is less likely for awardees to migrate on award completion if trained in-country; and
- there is less impact/disruption on family.

Overall, the rationale for the LANS is to support the educational strategies set out in the DCS, through building capacity by helping women and other disadvantaged students to successfully complete a degree and through support for capacity development in strategic planning, governance, program management and service delivery in the higher education system.

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<sup>19</sup> World Bank, *Constructing knowledge societies: New challenges for tertiary education*, 2002, p. 5. See: <<http://siteresources.worldbank.org/TERTIARYEDUCATION/Resources/Documents/Constructing-Knowledge-Societies/ConstructingKnowledgeSocieties.pdf>> [Accessed 28 February 2011]

## 2.6 Consistency with Other Donor Programs

The need for better coordination among donors is central to the focus of international efforts to reform how aid is delivered and thus improve its effectiveness. The DCS recognises that this approach is crucial in Laos. At present a large number of donors are funding a number of generally poorly integrated programs. . This places an unsustainable administrative burden on limited GoL management resources, makes the implementation of coherent reform agendas difficult, reduces development outcome sustainability, and results in higher than necessary donor expenditure on program management.

As with the other component of the Lao Australian Scholarships Program, LANS should aim to reduce fragmentation and the transaction costs on GoL partners and increase the strategic positioning of scholarships in meeting the country's training needs by promoting donor harmonisation. The World Bank and the ADB are active partners in the education sector in Laos. AusAID should work closely with them to consider any impact in the LANS program for planned changes in the university sector, particularly any changes that affect access and equity to target groups, academic entrance requirements, the quota funding system and institutional strengthening initiatives. AusAID Vientiane will endeavour to exchange views with other donors informally, possibly through an annual consultation in the context of the Education Sector Working Group to share lessons learned with a view to enhancing the effectiveness of aid through scholarships overall. These consultations should be used as input to the Annual Strategic Review.

AusAID Vientiane will continue to consult with ADB, specifically on possible partnerships in the scholarship component of ADB's SHEP particularly in the next phase of LANS. Through some informal discussions, ADB has also expressed their strong interest in a partnership approach.

In addition, AusAID Vientiane will also continue to liaise with the MOES, the Director of Department of Planning and Cooperation has indicated the Ministry's strong need for the harmonisation of scholarships in Laos. In light of the Ministry's need, a new Student Affairs department is currently being established. The new department will be managing scholarships, currently under the Higher Education Department who are facing critical personnel shortage. An expected responsibility under the scope of this new department is integration of all scholarship programs in order to be able to better report on the impact of scholarships and to improve the effectiveness of the GOL's management of scholarships. As can be seen in Annex O, a range of donors support a large number of scholarship programs to NUOL. In its role as a co-chair of Education Sector Working Group, AusAID Vientiane will continue to be involved in discussions with MOES about plans to integrate scholarship programs to inform the future phase of LANS.

## 3 Program Description

### 3.1 Goal and Objectives

The goal of the Laos Australia Development Cooperation Strategy is "*To assist Laos reduce poverty and achieve sustainable development*".

The goal of the overarching Lao Australian Scholarships Program is "*To promote effective Human Resource Development and foster future leaders in order to enhance sustainable development and poverty reduction in the Lao PDR*".

Under this goal, the purpose of the Laos Australia National Scholarships program is, through the provision of scholarships for university education in Laos, "*To assist students from disadvantaged backgrounds to acquire relevant knowledge, skills and qualifications to improve their employment opportunities and so that they can facilitate capacity building in priority development areas*". In doing so, the program also works to reduce poverty, to strengthen the Laos higher education system and to support other development activities under the Laos Australia Development Cooperation Strategy.

The objectives of the LANS Program are to:

- Support academically able female and male students from disadvantaged backgrounds to complete a degree program at a Laos public university;
- Help address the critical human resource needs in priority development sectors and areas in Laos;

- Improve organisational capacity in the management of scholarships and provision of student services in the public universities in Laos.

### 3.2 Components

To support achievement of the above program objectives, the program is structured into seven components, with corresponding component objectives and outputs as shown below:

Component/Objective	Outputs
<b>Component 1 - Promotion of Australian Scholarships</b> <u>Objective:</u> To implement effective strategies for the promotion of the Laos Australia National Scholarships that will attract sufficient numbers of high quality candidates	1.1: Promotional Plan prepared 1.2: Approved Promotional Plan implemented 1.3: Annual review of information strategies completed 1.4: LANS website maintained
<b>Component 2 - Management of the application process</b> <u>Objective:</u> To implement an effective application process.	2.1: Applications received, reviewed for compliance, recorded and reported
<b>Component 3 - Management of the selection process</b> <u>Objective:</u> To facilitate transparent processes that result in the selection of eligible high calibre scholars.	3.1: Target fields of study in Selection Criteria reviewed and agreed annually 3.2: Selection Criteria and weighting reviewed and agreed annually 3.3: Eligible applications shortlisted as per selection criteria 3.4: Shortlisted applicants interviewed by Joint Selection Panel 3.5: Award offers made 3.6: Notifications to and feedback for successful and unsuccessful applicants 3.7: Award contracts signed by awardees 3.8: Monitoring of awardee selection completed
<b>Component 4: Management of On-award support for awardees</b> <u>Objective:</u> To provide support to awardees that contributes to the successful completion of their course of study	4.1 Orientation conducted 4.2: Allowances paid to awardees 4.3: Award variations managed 4.4: Pastoral care for awardees arranged 4.5: Awardee progress monitored
<b>Component 5: Manage the Academic Support Program</b> <u>Objective:</u> To provide awardees with relevant English or Lao language and study/life skills that will assist them to achieve satisfactory progress in their university studies	5.1: ASP curriculum developed 5.2: ASP Staffing and resources arranged 5.3: ASP implementation and outcomes monitored
<b>Component 6 - Post-study support for graduates</b> <u>Objective:</u> To facilitate alumni activities and provide other forms of post award support	6.1: Contact with alumni maintained 6. 2: Alumni support mechanisms maintained and further developed 6.3: Post-award monitoring and evaluation surveys conducted
<b>Component 7: Institution strengthening</b> <u>Objective:</u> To improve the capacity of university staff in scholarships management and administration	7.1: Training on LANS management conducted 7.2 LANS management activities progressively transferred to university 7.3: Other generic capacity development provided
<b>Component 8 - Program Management</b> <u>Objective:</u> To manage the program efficiently and effectively	8.1: Program Office established 8.2: LANS Policy and Procedures Developed 8.3: Basic MIS developed 8.4: Effective communication maintained

	8.5: Secretarial support provided to the Program Steering Committee and Joint Selection Panels 8.6 Program Risks managed effectively 8.7: Quality assurance systems and continuous improvement 8.8: Other emerging tasks at the specific direction of AusAID
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A more detailed description of the activities for each of these components is provided in Annex E.

### **3.3 Lao Universities in Program**

To provide access to university education to students from rural/poor backgrounds, LANS will be a national program, with scholarships made available to students who have confirmation of acceptance into undergraduate study at either National University of Laos in the Vientiane capital, and two provincial universities, Champasack University in the south and Souphanouvong University in the north.

The NUOLPS review gave consideration to extending LANS to students in the Teacher Training Colleges (TTCs), however, it recommended that the TTC not be included in the program, as with up to eight additional institutions involved, the program would be unworkable. It recommended that AusAID consider establishing a separate TTC scholarship scheme that targets students living in remote areas, that emphasises pastoral care, and that offers support to students to develop their Lao language skills. It was decided that the University of Health Sciences administered by the Department of Health would not be included in LANS as the health sector is not a sector directly supported by the current DCS. At this stage in the program, Savannakhet University will also not be included in the LANS. Savannakhet University is very new, established in 2009 and has not been subject to assessment for capacity to administer the scholarships. This could be considered in the review of LANS in 2012 and additional scholarships to Savannakhet University may be recommended in the later stage of the program.

In the first two years of the program (with awards commencing in 2011 and 2012), awards will only be offered at NUOL. This will be feasible, as AusAID has previously had a scholarships agreement with NUOL and the university already has experience in providing scholarships support, which will facilitate fast-tracking of program commencement. Given delays to the program design, and the need to develop new policies and processes, the MC will need to apply significant resources to even be ready to offer awards at NUOL in 2011/12. It would be too much of a risk to commence scholarships at the provincial universities in the first year of the program, particularly given the limited educational and administrative capacity of these institutions at this stage. Phasing the introduction of awards to CU and SU will enable the MC to implement the necessary processes and policies (and make any adjustments based on learnings in the first year). It will also allow time for AusAID/MC to reach agreement with the two institutions regarding their participation in the program, and to assess what training, resourcing and on-going support they would require in order to meet any responsibilities under the program. The delayed start at CU and SU would also allow for a full cycle of award management, with award promotion commencing in January 2013, for scholarship awards in October 2013.

### **3.4 Scholarship numbers**

A budget-based approach, as is used for the Laos ADS, was considered for determining annual award numbers for the LANS Program. Such an approach would allow for greater financial control, particularly if there are significant cost variations from year to year, which would have a consequent 'flow on' effect to the budgets of other bilateral Laos program areas. Given the size of the program, however, and the low variation of in-country scholarship costs, a fixed quota-based approach was assessed to be more appropriate for the LANS Program as it will simplify program discussions with stakeholders, program promotion and planning.

In line with the 2005 Paris Declaration on Aid Effectiveness and the 2006 Vientiane Declaration, AusAID aims to increase the predictability of aid flows<sup>20</sup>. Given the two-year suspension of the scholarships and the upcoming review of AusAID HRD assistance to Laos, it will be important to assure stakeholders as to the continuity of the scholarship funding. A significant reduction in scholarship numbers to the NUOL once other universities are added to the program is unlikely to be supported by stakeholders. As such, NUOL scholarship numbers should be set at a level which is sustainable when CU and SU are included in the program.

Under the NUOLPS, AusAID funded 64 new scholarships per year, and based on an average two-year scholarship, funded 120 awards at any one time in total. Given available funding, AusAID has indicated that it intends to provide 70 new scholarships to NUOL per annum. Dependent on withdrawals and award terminations, over a five year period depending on degree length, the number of NUOL awardees would increase to approximately 250-300 on-award at any one time. This assumes a five per cent annual drop-out of awardees per annum (for personal reasons and to take up other scholarships). It is perhaps likely that the actual drop-out rate may be higher than that experienced for NUOLPS, with students facing academic or financial difficulties (or personal factors) over the longer undergraduate award. The drop-out rate, and reasons for drop-out, will need to be closely monitored by the MC, and if necessary steps taken to provide additional academic support, pastoral care or even consider increased financial support for awardees. Adjustments to intake numbers may also be necessary so that the available budget is fully utilised. It is also possible that the drop-out rates of awardees at CU and SU may be higher than at NUOL as students from disadvantaged educational backgrounds may experience greater difficulties in adjusting to tertiary-level academic standards.

Scholarship numbers will need to be determined for each institution based on the available budget. The NUOLPS review considered two models for allocating scholarships– by granting a pre-determined number of scholarships to each university; or, by short-listing at the regional level and selecting the best candidates at the central level, irrespective of the numbers for each university. AusAID has advised that a simple model of scholarship allocation with a pre-determined number of LANS awards for each university should be used.

That is, the three universities will each year be allocated a fixed number of awards to offer equally to men and women. In 2008, student enrolment at the three public universities totalled 45,677 (NUOL with 36,706, CU with 4,755, and SU with 4,216). The review proposed to provide 70 new scholarships for NUOL each year, 22 for Champasack University, and 20 for the slightly smaller Souphanouvong University. Over a five-year period the number of awardees at CU and SU would increase to approximately 80 to 100 at each university. With the three universities, and after a full cycle of intakes, the program would indicatively support 475 awardees at any one time, with approximately 100 awardees graduating each year. This relative award allocation between the three universities favours applicants at the smaller universities, but given the high proportion of Vientiane applicants at NUOL, reflects the purpose of supporting rural and remote applicants.

### **3.5 Fields of Study Supported**

To provide scholarship funded training that is most relevant to the national priority capacity development areas and to the activities under the DCS and the AusAID Mekong Water Resources Program Delivery Strategy, a list of the broad categories (education, rural development, trade, governance, infrastructure and sciences and natural resource management) and specific fields of study that will be supported under LANS has been developed by AusAID (see Annex F).

To ensure equal access to the awards, sufficient fields of study that are traditional areas of study/employment for females must be included in the list. To increase the impact of the tertiary education supported by LANS, the list of supported fields of study should be reviewed annually and in line with emerging needs and any additional information on labour market demand for university graduates (particularly in rural areas/key sectors). It is noted however, that promotion of the fields of study supported by the program is likely to drive students to choose their secondary school course of study so that it

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<sup>20</sup> ANAO (2011), p. 14



increases their prospects of obtaining a scholarship. To avoid public uncertainty and minimise failed expectations, the fields of study targeted by the LANS should not be changed too significantly each year.

### **3.6 Eligibility Criteria**

Eligibility criteria need to be transparent and well publicised to all stakeholders. Clear eligibility requirements should be advised to all intending applicants so as to minimise the number of ineligible applications and to avoid unmet expectations. Three key eligibility criteria were proposed by the NUOLPS review, with respect to citizenship, university entrance and age.

The eligibility criteria for the scholarship program should avoid imposing artificial or arbitrary restrictions on who can apply. Under the NUOLPS program, any applicant, so long as they came from outside of the Vientiane Municipality were eligible. This criterion was judged to be no longer appropriate and all Lao citizens will be eligible to apply irrespective of where they live. However, as per the selection criteria below, priority will be given to applicants from nominated disadvantaged districts.

The NUOLPS review examined the merits of accepting applications from students during their final weeks of school before the university entrance exams have been conducted or the quota places advised. To do so would have the advantage that poorer students who have no ability to fund their own studies and who are therefore not intending to seek enrolment at university, might be encouraged to apply for a scholarship. However the alternative perspective is that consideration of a large number of applications from candidates who are not likely to be accepted into university would be inefficient and may create unrealised expectations in disadvantaged applicants. It was therefore decided, that as per the NUOLPS precedent, applicants would be required to have already been accepted for study at one of the universities in the program. To minimise hardship, the MC should reimburse awardees first-year institution registration fees in a timely manner, or if required, pay the institution fees on behalf of the awardees.

Given its primary target of secondary school leavers, and current delivery modes at the Laos institutions, LANS will be provided for full-time on-campus study, and for first-time undergraduate students only.

To reflect the expected growth in school-leaver numbers, and to maximise the utilisation of skills gained under the award over the working life of an awardee, applicants who have just finished upper secondary school are the primary target of the program. No minimum age is specified as effectively this is covered by the university acceptance requirement. The criterion that applicants should be under 26 years at the time of application will mean that in the case of a 25 year-old person being offered an award and graduating at age 30, the person should still have a working life of 20 years or more.

In summary, to be eligible for an LANS award, applicants must:

1. be a Lao citizen and resident in the Lao PDR for a minimum of two years;
2. have been accepted for entry to the first year of an undergraduate course at one of the universities in the program;
3. be under 26 years of age at the time of the application closing date;
4. not hold or have held another scholarship for undergraduate study (except for that provided by the GoL quota scholarships);
5. not have previously held another AusAID scholarship;
6. be free of any criminal record; and
7. be able to take up the scholarship in the academic year for which the scholarship is offered.

It is noted that for the first two years of the program, LANS will only be offered to students commencing an undergraduate degree. The mid-term review should re-consider this policy and consider the feasibility of providing scholarships to enable disadvantaged former NUOLPS awardees to complete their qualification.

### 3.7 Selection

In accord with the program's objectives, an equal number of awards will be offered to females as to males. With adequate promotion of the program, and a range of fields of study supported, there should be sufficient quality applicants to make equal number of male and female awards at each university. Applicants should be assessed and selected within two separate pools, male and female.

Selection criteria should be merit-based and transparent and include:

- i. socio-economic or educational disadvantage;
- ii. academic ability;
- iii. motivation to succeed in their field of study and to support national development;
- iv. field of study of enrolment; and
- v. other criterion as determined by the PSC.

The MC should make recommendations to the PSC as to the selection criteria to be used for the program, how these criteria will be assessed and their relative weighting. Initial scoring during the short-listing phase will be based on information provided in the application form (and any accompanying documents). The final score for shortlisted applicants will include any additional information assessed at an interview. The PSC should determine whether interview performance is a separate weighted criterion or instead used as an opportunity to validate/amend the scores for the other criteria assessed during shortlisting. It is noted that shortlisted applicants whose first language is not Lao, may have communication difficulties at an interview conducted in Lao, and this may need to be taken into consideration by the Joint Selection Panel. Nevertheless, students will need to be able to communicate sufficiently in Lao to be able to satisfactorily progress in their studies.

The criterion of socio-economic/educational disadvantage is difficult to assess and may consist of a number of sub-criteria including home district, ethnic group, language spoken at home, number of siblings, distance of home village to nearest town, and parent's occupation. In 2003 as part of the NGPES, the GoL have identified a list of 70 poor districts, including the 47 poorest districts. Recently the MoES has prepared a list of 56 districts in which education facilities are minimal. Undertaking secondary school in one of these districts should have strong weighting in selection. However simply coming from a listed district will not in itself be a sufficient indicator of disadvantage and will need to be supported by other evidence. Applicants will be required to submit personal details, so called "bio-data", about their family background and personal circumstances. Three additional items are to become part of the application process – a reference from a teacher who knows the student (not the principal), a letter from the village head outlining the socio-economic status of the student's family, and a copy of the family registration book to verify the home residence of the applicant. The validity of these supporting references will need to be carefully assessed (and if necessary a low weighting assigned in the selection criteria).

LANS awards should be provided to applicants who have sufficient academic ability to be able to pass the nominated course of study within the minimum time period. In addition to the normal full-time course load, the awardee must be assessed as being likely to be able to undertake the additional load from compulsory attendance at the Academic Support Program (ASP). Assessing applicants who have sufficient academic ability to successfully complete university study is not straightforward, particularly in Laos. Prime facie, a students' secondary school academic record, confirmed by acceptance for enrolment at the university, might indicate that academic ability. However, at present, there is lack of moderation in exam results across the school system and a consequent unreliability of the end-of-school result as a true indicator of the academic merit of a student (a "7.0" in one school, for example, might be marked as a "6.0" in another). A further consideration when comparing students is that the Lao language skills for rural and remote awardees may be weak and affect the overall High School Diploma results. It has also been observed that end-of-school exam results cannot always be trusted because of the practice of paying for improved scores. One way to counter this practice is to consider a school record over the final year to see if it is consistent with the end-of-school exam result. Another approach, though less reliable because it is also open to manipulation, is to require the applicant to support his or her application with a reference from a teacher.

There is no simple solution to comparing academic ability between applicants, until a national entrance test is introduced. Having all applicants sit a scholarship-specific exam would be a solution, however the complexity and costs involved in mounting such an exercise across the country would outweigh its potential benefits. In addition, academic scores at the secondary school level are not a direct predictor of success in university education. Should there be a high failure rate among awardees (compared to the overall university student population), adoption of some form of academic screening test (perhaps for short-listed candidates prior to interview) may need to be considered by the PSC.

Applicants should be enrolled in a field of study that is appropriate to their qualifications, expertise and experience. Applicants should be asked to state in the application form why they have chosen the field of study, what employment they intend to take up on degree completion, and how their studies/work will contribute to Lao PDR development needs. As many applicants have assistance in completing such statements, this should be further assessed at the shortlist interview. Higher scores should be given to applicants whose field of study is targeted for the program based on the priority national capacity development needs agreed in the DCS (as listed in Annex F, but subject to annual review). Applicants who score highly on the other selection criteria may still be considered for a scholarship, even if they are enrolled in a field of study that is not listed. There is no prioritisation or quotas assigned to the fields of study supported. The PSC may choose to review this approach in a mid-term review of the program to more directly target a narrower range of fields of study.

The PSC should also give consideration to awarding a broad distribution of scholarships across the country. This may not be an issue when CU and SU are included in the program, as applicants are more likely to be from the provincial feeder provinces for these institutions. However there may be a need to agree a fixed number of awards per region when only NUOL is in the program, and there may be a large number of applicants from poor families from the Vientiane Municipality. Under the NUOLPS, four scholarships were awarded to each province per annum. Such a distribution formula would no longer be consistent with the LANS targeting of disadvantaged and rural applicants. To avoid unrealised expectations, it should be made clear in all promotional material that the LANS are targeted to support disadvantaged students from across the country to access a university education.

The selection criteria and relative weightings should be reviewed annually to ensure that the awards are being made to applicants who best meet program objectives. Depending on decisions made by AusAID with respect to the targeting of scholarships to students with a disability, the selection criteria may need to be amended accordingly (see Section 8.2).

### **3.8    *Scholarship Benefits***

#### **3.8.1    *Length of scholarship***

When the NUOLPS program commenced, the two-year scholarships offered financial support and English language lessons to students while they were enrolled in the preparatory two-year bridging course required of all NUOL students at the time. In 2008/09, compulsory bridging studies were undertaken in the faculty in which the student is enrolled, with the result that the bachelor's degree was lengthened to a five-year course of study. Despite this change, the scholarships continued to be offered for only two years to assist students gain access to university which was a source of stress to many recipients who had to find other ways to support their studies, or who dropped-out of university.

Therefore to support the objective of assisting awardees to graduate from their Laos university, LANS awards should be awarded for the minimum number of years in which a student can be expected to complete the degree program. Now that foundation studies have been moved into the upper secondary schools, a NUOL bachelor's degree typically takes a minimum of four years of study, although some courses, such as engineering, may take up to five years.

### 3.8.2 *Scholarship Allowances*

The LANS scholarship will offer, for the duration of the award, the following benefits:

- reimbursement of compulsory university fees (the once-off registration fee and annual enrolment fees);
- provision of an ASP (of language, study and life skills (of six hours per week);
- pastoral care (possibly including reimbursement of essential medical costs); and
- a monthly stipend and other allowances (as described below).

Under the NUOLPS, awardees were provided with a one-off administration fee for enrolment, a dormitory fee, annual university registration fee and a living allowance for eight months of the year. The NUOLPS review proposed that the LANS allowances be revised as follows:

- Monthly Stipend, to be paid for the months when the awardee is attending university. The stipend would cover minimum costs of items such as food, personal items such as toiletries, transport to and from the institution, basic telephone/internet communications back to their home and a small budget for incidental expenses.
- Accommodation Allowance paid for the whole year to assist awardees to continue to pay rent on accommodation and cover utility costs between semesters. The student is responsible for making his or her own accommodation arrangements (whether in university dormitory or elsewhere).
- Transport Allowance for students who have to travel to attend the ASP classes (for example, students who have to travel from the Faculty of Engineering in Sokpaluang Campus to the main Dong Dok campus).

To provide certainty to awardees, the monthly allowances should be paid at a fixed rate in Kip, which would not be subject to currency fluctuations that provided uncertainty and additional administrative effort in the NUOLPS that was paid in US dollars.

The aim of the LANS allowances is to provide sufficient financial support so as to meet an awardee's reasonable study and living costs so that they are able to concentrate on their studies without needing to work part-time or to seek supplementary support from poor families. In order to set allowances at an appropriate level, the MC should undertake a holistic review of the allowance system for recommendation to AusAID. This should include consideration as to whether the allowance should include an:

- establishment allowance, to purchase basic once-off necessities such as household equipment and clothing, including a school uniform and shoes etc;
- annual book allowance to cover book, stationery and internet costs;
- annual travel allowance, particularly for awardees from remote areas, for example to enable awardees to return to their home provinces in semester/end of year breaks;
- entitlement for the reimbursement of basic medical, dental and hospital costs for treatment that affects their ability to satisfactorily progress in their studies. This could possibly extend to the provision of an eye examination and spectacles for students who may not have had the opportunity previously and who need good vision to be able to satisfactorily undertake their studies.

These allowances will be paid directly to the awardee, subject to receipts where required, continued enrolment and satisfactory academic progress. As per the ADS stipend, allowances are paid at a single or "unaccompanied" rate, with no adjustments for any dependants.

Consideration should be given to setting the rate of the establishment allowance and the monthly stipend at a justifiable amount, for example, determined by the cost of a "basket of goods" methodology or benchmarked against financial support paid to a comparable group. In determining reasonable allowance rates for LANS, comparison should be made to scholarships offered by other sponsors (including the current and any revisions to the GoL quota scholarships) and with local wages paid in the education sector, such as to teachers.

When CU and SU are included in the program, the establishment and allowance rates will need to be reviewed to determine whether there should be differential rates applied if there are any significant cost variations between locations.

The *LANS Policy and Procedures Manual* should include guidelines on such matters as variations to stipend payments.

The NUOLPS review should also determine the process that would be followed for adjusting the allowances annually, to allow for inflation and other price changes. Changes to allowances would need to be approved by the PSC prior to notification to students and implementation. In recommending the allowances, the MC should utilise as simple an allowance structure as possible (with minimal variations of rates between students, given that monthly payments (and any variations) will need to be paid to over 450 awardees when the program is fully operational).

### *3.8.3 Academic Support Program*

The English language lessons provided under NUOLPS were intended to help awardees to access the ADS awards to study in Australia. Whilst only a very few NUOLPS awardees received ADS awards, the NUOLPS review found that English language and study skills support should be continued in the new scholarship program through a tailored Academic Support Program (ASP). The objective of the ASP is to provide awardees, many of whom come from disadvantaged secondary school backgrounds, with relevant English language and study/life skills that will assist them to make satisfactory progress in their university studies.

The MC, based on expert advice, should design the ASP curriculum over each year of the awardees' undergraduate program. The curriculum should include language lessons (either English or Lao) and relevant study and life skills. To avoid it being an unrealistic burden, the ASP should be restricted to less than six contact hours per week. The language component would cater for awardees with different English language abilities. Although the course would commence at a basic level, the degree-long duration should result in a high proportion of awardees achieving functional literacy levels in English. Non-native Lao speakers would also be provided with instruction in the Lao language for the first two years, or longer if required. The language component of the program may increase after the first year. Two hours per week, especially in the first year at university, should be spent by the teachers helping students develop study and life skills. Study skill sessions, in the Lao language, could be conducted in topics such as study habits, time management, note taking, questioning, critical thinking and information literacy. IT skills could potentially be included in the curriculum in future years, subject to resource and budgetary constraints. Life skills topics, particularly for students living away from home for the first time, could include budgeting, living on campus, life in the city, living away from home, and relationships. The curriculum should include topics that address the specific support needs of female and any awardees with disability. During the final years of study, the ASP could include topics on finding employment on graduation (CV preparation, applying for jobs, interview skills etc).

The ASP design should also advise on the teaching and learning resources required for teachers to implement the curriculum. The program should include sufficient funding for these resources. At a minimum, all teachers should have a copy of the textbook and the teacher's guide, while the students should have all the textbook and supplementary materials, such as CDs, on a one-year loan basis. Each class should also have access to a small collection of relevant books or magazines and printed/photocopied resources as necessary. Funding for ASP resources must be through the Head Teacher and not to awardees.

In establishing the ASP, and its on-going management, the MC should take into consideration:

- that the university would be requested to provide suitable (preferably dedicated) accommodation for the classes so they could be set up permanently;
- including study (e.g. note taking, essay writing) and life skills (e.g. budgeting, sexual health) in the program;
- that the same curriculum would apply across all three universities;
- the recommended program length of six hours per week, so that students are supported but not distracted from their academic performance;
- that to facilitate learning outcomes, students would be language tested prior to the commencement of the program, at least annually and on program completion;
- restricting classes to average of 10-15 persons, to facilitate learning outcomes and for flexibility in class times, with students grouped according to language ability where possible;

- requiring ASP Teachers to sign a letter regarding proper conduct, fair treatment, sexual harassment, discrimination and other matters in accord with AusAID's Child Protection policy;
- the teacher training and professional development needs of the ASP teachers;
- given the number of awardees at NUOL, appointment of a Head Teacher to be responsible for providing professional advice and support to the ASP teachers and for reporting to the PSC, through the MC on ASP activities and achievements;
- opportunities to adapt (as appropriate) materials from the ADS English for Academic Purposes Training; and
- opportunities for skills transfer to university language teachers (e.g. through observation/participation in teaching activities) and university student support personnel.

The MC, with expert advice as required, should annually review the program (including changes to the curriculum, teacher salaries and resources required) for recommendation to the PSC.

#### *3.8.4 Pastoral Care*

As many of the awardees will be living away from home for the first time whilst adjusting to tertiary-level education, it is appropriate that they receive pastoral care in order to pass their university course in the minimum time possible, whilst achieving high levels of personal growth and satisfaction. Awardee support will be provided in the first instance through the study/life skills training in the ASP. Tailored support will be required for female and male awardees and awardees with disability. Specific support for female awardees could, for example, also include personal development group activities such as camps or weekends and establishment of formal support networks with relevant stakeholders such as the Lao Women's Union and ongoing collaboration with the Inclusive Education Centre in the Ministry. Similar activities for awardees with disability should be arranged through organisations such as the Disabled People's Association.

Formal student and welfare counselling services are not currently provided at the three universities, although the new Department of Student Affairs is currently being established. In discussion with the Department once established, the MC should develop and implement a LANS Pastoral Care Plan indicating the various responsibilities for supporting awardees in their learning and that any emerging issues (language, gender/disability based, academic, personal or interpersonal) are identified as early as possible and handled appropriately. The Plan should detail the specific support to be provided for the different genders, and awardees with a disability. It should also detail any university and external sources for awardee counselling and individual/ group support. In accordance with confidentiality principles, the MC should maintain appropriate records of all cases referred to them. Serious cases should be referred to AusAID for advice/information. Details of the M&E of the pastoral care should also be included. This will include tools such as student satisfaction surveys with the care and support provided, which can provide feedback into the selection process on the characteristics of successful students and likely risk factors and assist identification of areas for program improvement.

The LANS Program Manager will be responsible for providing pastoral support to awardees. This will include being available to be contacted by awardees and at least twice annual-monitoring visits (more often if required in the first year) to the universities to meet with awardees as a group and with individual awardees considered at risk of not successfully passing their academic studies. To provide on-site support on a day to day basis, the ASP Head Teacher will also be available for consultation by students who are having difficulties that are affecting their studies. In future years, the program could train both a male and female teacher who takes on the role at each university and who is identified as such to the students. The MC should provide basic training to all the ASP teachers so that they can identify students at risk, hold initial discussions, and refer them to the Head Teacher/LANS Program Manager or other support services in the community as appropriate. Where possible, for capacity building, the university's SAO staff should be included in pastoral care training.

#### *3.8.5 Terms and Conditions*

In accepting the scholarship, awardees are required to sign a contract with AusAID to commit to achieving "satisfactory academic progress" (as defined by AusAID in agreement with the institution) in the subjects in which he or she is enrolled and to attend not less than 80 per cent of the ASP classes. As many of the

awardees will have little or no English language skills, the contract will be made available in both Lao and English. The contract should include a privacy waiver under which students agree that their academic record can be shared by the university with external agents (AusAID, the PSC and MC) for the purpose of monitoring satisfactory academic progress and for program M&E.

During program establishment, the MC will need to recommend policies to the PSC for award deferrals, course transfers, award withdrawals and university suspensions/terminations. In support of program effectiveness and efficiency, the following policies should be considered, that LANS awardees:

- who become pregnant during their award and have to suspend their university studies, may apply to have their award suspended, pending their full-time return to university;
- will not be permitted to extend their award to undertake a second course of undergraduate study;
- will only be able to extend their award for up to one year, provided that they will complete their course of study within the approved extension period;
- will not be allowed to upgrade their scholarship to study at the post-graduate level;
- will have their award terminated should they transfer to a different course that extends the length of their degree or is within a field of study not approved by the MC (as guided by Annex F); and
- will have their awards suspended or terminated should they be excluded by the university and unable to continue in their course of study.

Award variation policies should include an appeals mechanism through the PSC. All award variations, including the reason, should be appropriately recorded on the LANS Management Information System.

### **3.9 Alumni Support**

An effective alumni strategy can help improve scholarships outcomes and facilitate post-award monitoring. An alumni association can be of benefit in presenting opportunities for making or maintaining professional contacts and for supporting alumni to secure post-award employment. It can also provide a mechanism for tracking alumni so that the impact of the scholarship program can be evaluated. Alumni can also potentially play a useful role in helping new LANS awardees. The LANS alumni strategy should be reviewed when required to reflect any changes to AusAID's broader Australian Scholarships alumni initiatives.

As LANS is targeted at those who come from across the country and who may return to live and work in provincial areas after graduation, the social functions of an alumni association may be hard to sustain. With a wide dispersal of alumni, the professional aspects of an alumni association are also problematic, especially when the numbers of graduates will be relatively small, and smaller still, spread across the three different universities. It is also recognised that even with modern communication technologies such as mobile phones and the Internet, the task of tracking people is still difficult, especially if they change their phone number or their email address. Maintaining positive relationships and the current contact details of as high a proportion of alumni as possible is essential in helping improve the quality of responses and generating a high response rate to post-award surveys.

Given the above, the active involvement of the MC and AusAID in alumni activities will be essential. The MC will maintain alumni (particularly contact and employment) data in the LANS MIS, coordinate alumni-related functions, encourage the participation of alumni in orientation for the new LANS recipients, produce newsletters, and publicise relevant employment opportunities. To place LANS within the overall Laos Australian Scholarships Program, LANS alumni activities will be integrated with those of the broader program wherever appropriate. This will also give LANS alumni the opportunity to network and share experience with alumni that have had their opportunity to study overseas at the postgraduate level.

### **3.10 Institution Strengthening**

The DCS indicates that, depending on the GoL performance, AusAID will "increasingly move from projects that have their own administrative and delivery mechanisms to approaches that are much better integrated

with government systems”<sup>21</sup>. One of the pillars of the LANS Program is that, through participation in the program, university capacity to manage scholarship processes and provide student services will be improved. This will be achieved through the involvement of the universities in efficient and responsive scholarships management and through the progressive transfer of LANS management responsibility to the universities. This transition will need to be at a pace that can be effectively and efficiently managed by the institutions whilst safeguarding achievement of program aims and objectives.

In recognition of presently limited university capacity, at least for the first four years of the program, the MC will have lead responsibility for LANS management, with the universities undertaking specific tasks in line with their capacity to deliver them effectively. This will be reassessed during the second year of the program, as the MoES Department of Student Affairs, responsible for managing scholarships, will be established. Three stages in the transfer of LANS activity management are proposed:

1. University undertaking responsibility for a sub-set of program activities at their institution.
2. University undertaking responsibility for all the program activities at their institution.
3. MoES assuming overall LANS management responsibility (currently undertaken by the MC).

During the first two stages, the MC will provide specific training to relevant university staff in administration of these tasks. University staff will also participate in program committees, panels and program reviews, and in M&E activities where they will be exposed to different approaches to program delivery and management.

AusAID will pay an agreed administration fee to the universities for reimbursement for the services it provides for the program. The fee should be sufficient to cover university direct costs (e.g. of any staff directly involved in the program) and any equipment/materials needed (e.g. computer, internet access, photocopying etc). In line with a results-based approach, an incentive component should be paid if the university meets agreed performance standards (for example on timeliness of provision of awardee results).

Should CU or SU not be ready to assume some program responsibilities from 2013/14, alternative arrangements would need to be considered so as to not delay the award of LANS to disadvantaged students attending these universities. This could include for example the provision of a MC's staff member in the Student Administration Office to support the new arrangements.

Institution capacity in strategic planning, governance, scholarships management and service delivery, will also be supported through LANS-specific training, participation in ASP training and through other capacity development activities. In addition to LANS specific training, in association with the ADB, the LANS Program should provide other capacity development activities for MoES, university student and scholarship administrative staff. The MC should design a formal training plan for these activities. The plan might include for example a training sessions on: interviewing skills, M&E, disability awareness, information technology training (email, word and excel), student counselling, HIV/AIDS awareness, English language training, budgeting/ financial/contract management and good governance. Much of this training may be able to be provided at reduced costs through staff attendance at the ASP sessions, or if this would be intrusive to the awardees, through separately conducted sessions. Work-attachments to the MC's Program Office might also be provided during key periods (e.g. short listing). University language teachers would also be invited to participate in the language component of the ASP, as a skills transfer mechanism.

The rate at which AusAID should transfer additional LANS management to GoL systems will depend on an assessment of MoES/university readiness to assume the responsibilities, particularly of robust and transparent awardee selection and that the fiduciary risks including payment of ASP teacher salaries and awardee stipends have been assessed as being modest and manageable. Such an assessment should be undertaken by the MC, with external expert advice as required, prior to a second stage of institution management where the university would be responsible for the activities listed in Section 4.2.5.

The third stage will occur when all three universities are effectively managing program activities at their institution, and the MoES has been assessed as being ready to assume overall program management.

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<sup>21</sup> See the Laos Australia Development Cooperation Program (2009-2015)

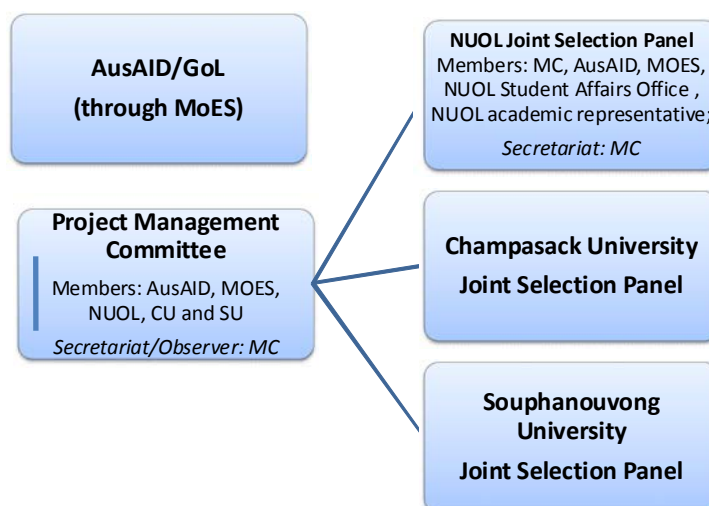


## 4 Implementation Arrangements

### 4.1 Governance

#### 4.1.1 Overall Program Structure

Given the size of the program, and overlapping responsibilities with a limited number of stakeholders/representatives, the program will have a governance structure as illustrated in the figure below.



#### 4.1.2 Program Steering Committee

The LANS Program Steering Committee (PSC) will have overall responsibility for providing advice to AusAID on the LANS program strategy, planning and management. The MC will develop, for approval by AusAID, a formal Terms of Reference (ToR) for the PSC, defining its membership and purpose. Amongst other responsibilities, the PSC will:

- advise AusAID on LANS policies and procedures, including on eligibility and selection criteria;
- advise AusAID on program planning and implementation;
- provide a complaints and review mechanism for applicants and awardees;
- oversight the work of the Joint Selection Panels (JSPs), including approving membership and ToR;
- make recommendations to AusAID on award offers and variations;
- receive and appraise monitoring reports from the MC (including summaries of awardee progress and implementation of the ASP);
- review the scholarship program on an annual basis (as input into the wider Annual Strategic Review) and make recommendations to AusAID; and
- attend to any matters that impact upon the effective functioning of the program.

The PSC will comprise the three main stakeholders – AusAID, the GoL (through the MoES) and the universities in the program (NUOL, CU and SU). Each group will bring its own perspectives, knowledge and experience. Without this level of transparency, the program, and the way in which it runs, is vulnerable to challenge and its selections open to accusation. The five-person PSC should have a mixture of men and women made up of senior representatives from the organisations. Decisions by the PSC should preferably be on a consensus basis. A senior MC representative should attend PSC meetings to report and provide advice to the PSC on program implementation. As the PSC may also provide advice to AusAID on MC performance, the MC representative will participate as a non-voting member. The MC will provide secretariat service to the PSC and, if requested, may act as the non-voting chair of the meetings.

Although initially considered, a separate Curriculum Committee will not be required. The MC will utilise expert English language/ASP advice in the ASP curriculum development, and these experts may be requested to attend PSC meetings to provide any required advice as needed.

An active civil society is beginning to develop in Laos, with the formation of local associations. AusAID is commissioning a policy paper to explore how best to strengthen its civil society engagement. Dependent on this paper, consideration should be given to the inclusion of a civil society representative on the PSC, to provide input into equitable access by students from disadvantaged backgrounds.

The Committee will meet as necessary, but not less than twice a year to make recommendations regarding award offers and to undertake program review and planning. During the first year, additional meetings will be required to review and approve new program policy and procedures.

#### *4.1.3 Joint Selection Panels*

Given their differing governance/administrative arrangements and the distance between the institutions, each university will have a dedicated Joint Selection Panel (JSP). Each JSP will effectively be a sub-committee of the PSC. The core aim of the JSP is to interview shortlisted applicants and using the procedures and standards determined by the PSC, select the candidates that best meet the agreed selection criteria. The MC will provide secretariat support for the JSPs and should develop a Terms of Reference for the JSPs for approval by the PSC/AusAID. These should include governance arrangements with respect to declaring any conflict of interest and principles of confidentiality. For example, panel members should be asked to declare in advance to the panel if they are related to, know or have taught a shortlisted candidate. The JSP may then, for example, decide for the panel member to be absented from discussions/decisions about that candidate.

The review found that while the NUOLPS selection methods had worked well, especially since the introduction of an interview, the selection process was still highly dependent on two AusAID staff members. This was not only inefficient but unrepresentative of the stakeholders. The JSP should have broad representation not only to ensure that all stakeholders have an input to the process, but also to protect the individual panel members from any charge of collusion or corrupt practice. Each JSP should therefore have a mixture of men and women made up as follows: MC representative (JSP Chair); AusAID representative; MoES representative; and two university representatives, one from the Student Affairs Office (or its equivalent) and one member of the academic staff.

For consistency of selection processes between institutions, the MC, MoES and AusAID representatives should be the same person on each of the three JSPs, where possible. Consideration should be given to the same AusAID and MoES representative being on both the PSCs and JSP. This will bring greater consistency to the decisions made and facilitate better monitoring of the processes. Given the travel and time involved, the individuals are being asked to make a large commitment to the scholarship program. However such contributions will be valuable even if they can be given for only the first one or two years of the program. As the JSP proceedings will be in Lao, the representative of the MC should speak Lao. An interpreter should be provided for the AusAID representative, if required.

## **4.2 Program Responsibilities**

Annex G outlines program responsibilities of key stakeholders at the outputs level.

### *4.2.1 Partnerships*

Central to the LANS Program is the development and maintenance of partnerships between the stakeholders – AusAID; the GoL, as represented by the Department of Higher Education in the MoE; and the universities – as three autonomous institutions with their own individual agendas, timetables and procedures; and the MC. While links with regard to scholarships management already exist between the Vientiane-based organisations, and established goodwill can be drawn upon, this is not the case with the provincial universities. It is essential for the running of the program that the MC is able to work with and depend upon the cooperation of all the universities, especially with respect to selection, the ASP and monitoring awardee progress.

#### 4.2.2 *AusAID*

AusAID Vientiane is responsible for the overall strategic direction and management of the program. AusAID will be responsible for high-level consultations and negotiation with the GoL and donor partners. AusAID, with advice from the PSC, will approve LANS Program policies and procedures. AusAID's role will be to: monitor the performance of the MC, to receive reports and recommendations from the PSC, participate in publicity events, awardee orientation and alumni functions, chair the Annual Strategic Review, draw lessons from M&E studies and to control the flow of funds and financial allocations into the program through the MC. As the lead stakeholder, AusAID will continue to have an important role to play with representation on the PSC and on the JSPs. Policy direction will be provided through the Annual Strategic Review meeting to be chaired by AusAID Vientiane.

#### 4.2.3 *Government of Laos*

The GoL, through the MoES, will contribute to the relevance and effectiveness of the program through:

- membership on the PSC;
- provision of advice regarding changes in the education sector, other donor programs, and the targeting of awardees and the fields of study that will support priority areas of development;
- support for promotion of LANS, particularly in remote locations;
- membership on the JSPs for the selection of awardees;
- advice in the development of the curriculum for the ASP;
- attendance at formal functions conducted as part of the program (including at award acceptance, graduation and alumni functions);
- input into the Annual Strategic Review and other program reviews;
- support for program M&E; and
- attendance at other meetings convened by AusAID relating to issues arising or relating to general matters relating to conduct and progress of the program.

#### 4.2.4 *Managing Contractor*

Management of the program will be outsourced and the tasks to be undertaken specified under contract or through approved annual work plans. The MC will:

- (i) make recommendations to AusAID/PSC and establish the program policies and processes;
- (ii) set up and provide secretariat services for the PSC and JSPs;
- (iii) promote the program;
- (iv) check applications for eligibility and shortlist;
- (v) with the JSP, interview and provide recommendations on awardee selection;
- (vi) provide on-award support to awardees (including payment of allowances);
- (vii) set up and manage the ASP;
- (viii) provide support to alumni;
- (ix) undertake monitoring and reporting on the program;
- (x) support the progressive transfer of program management to the universities;
- (xi) facilitate the Annual Strategic Reviews and other program reviews; and
- (xii) administer program funding.

The services that the MC is to provide in the first year are detailed in the Implementation Schedule (Annex H) and indicated more broadly for future years under the Component activities (in Annex E).

#### 4.2.5 *Institutions*

LANS awards will be available for undergraduate study at NUOL from 2011/12 and from CU and SU from 2013/14 academic years. As a new program, and one that is responsive and flexible and may change over the first few years, LANS will initially be managed by a Managing Contractor. One of the objectives of LANS Program is however that through participation in the program, the capacity of universities to administer and manage student support and scholarships programs will be improved. The MC will provide specific training to relevant university staff to manage the program based on the services required in the LANS Policy and Procedures Manual.

It is recognised, however, that capacity to undertake additional tasks is still limited at the Laos institutions, particularly the provincial ones. The ADB SHEP has been working with the public universities since 2010 and further work is planned. Given initial limited capacity, at least for the first two years of scholarship availability at the institution, each university will only be responsible for:

- support for scholarship promotion at the institution and in feeder secondary schools;
- support for application distribution and receipt;
- provision of strategic direction and advice through senior university membership on the PSC;
- selection of awardees through SAO and academic staff membership on the JSP;
- providing awardee academic results each semester to the MC;
- providing suitable teaching accommodation for the ASP at the institution;
- support for program M&E (including collecting and reporting performance information);
- providing other feedback on program implementation, progress, intended and unintended impact; and
- participation in the Annual Strategic Review and other program reviews.

Prior to the undertaking of these activities, AusAID and the MC will need to meet with relevant university officials to agree in writing the services, processes and timetable for the scholarships. AusAID will pay an administration fee to the university for reimbursement for the agreed services it will provide for the program. AusAID will also agree a small incentive component for the university meeting of agreed performance standards (for example on timeliness of provision of awardee examination results).

The order and pace at which institutions assume specific LANS management tasks will depend on their resources, capacity and experience. It is likely that even after the universities are given training to commence the responsibilities, the MC will still need to provide significant training, ongoing support and quality assurance. An indicative transition to increased institution management of the program for NUOL might be as follows:

Task	Stage 1		Stage 2	
	Year 1	Year 2	Year 3	Year 4
Scholarship promotion at the institution and in feeder secondary schools	MC/Instn	MC/Instn	Instn	Instn
Application distribution and receipt	MC/Instn	MC/Instn	Instn	Instn
Membership on JSP for selection of awardees	Instn	Instn	Instn	Instn
Provision of academic results to MC	Instn	Instn	Instn	Instn
Provision of ASP accommodation	Instn	Instn	Instn	Instn
JSP Secretariat	MC	MC	Instn	Instn
Eligibility checking/shortlisting	MC	MC	Instn	Instn
Official letters to successful/unsuccessful candidates	MC	MC	Instn	Instn
Award the scholarship/awardees sign the contracts	MC	MC	Instn	Instn
Entry of awardee results into LANS MIS	MC	MC	Instn	Instn
Payment of allowances to students	MC	MC	Instn	Instn
Management of ASP (including payment of teacher salaries)	MC	MC	Instn	Instn
Specified M&E activities	MC	MC	Instn	Instn
Overall program management	MC	MC	MC	MC

An indicative schedule for the transition of responsibilities to CU and SU would need to be developed when they join the program.

## **4.3 Implementation Plan**

### **4.3.1 Program Establishment**

It should not be assumed that LANS is a simple extension of the earlier NUOLPS program. While there are obviously links, there are significant differences between the two programs and LANS will still take time and resources to establish. An indicative Implementation Schedule for the first year is provided in Annex H.

To establish the program, AusAID Vientiane would need to:

- obtain approval within AusAID to proceed with the new program and the allocation of funds;
- sign a Memorandum of Subsidiary Agreement with MoES on behalf of GoL;
- consult with relevant GoL ministries on intent to launch the new program;
- amend the existing LASP contract with the MC to include LANS management services;
- reach agreement at senior levels in NUOL (Office of Rector/President regarding their participation and responsibilities in the program (including negotiation of an administration fee);
- meet with SAO at NUOL, with involvement of the MC, to seek cooperation and support for the program;
- approve LANS policies and procedures;
- meet with CU and SU to outline the rationale for the program, and their later inclusion in 2013; and
- form the PSC, with approved ToR.

The MC will need to set up the Program Office during the first two months of operation prior to commencing the scholarships cycle for the first intake of LANS awardees. The MC will also need to develop program policies and procedures (in Laos and English), including: an Annual Plan; promotion plan and materials; application forms; selection criteria and weightings; review of stipend and other awardee allowances; the awardee contract; definition of satisfactory academic progress; and policies for deferrals, withdrawals, suspensions, extensions, and terminations.

As the awardees will receive basic orientation on award commencement in late 2011, the ASP for the first intake could commence in early 2012. The MC will establish the ASP through:

- appointing a team of relevant experts to prepare a LANS ASP curriculum framework and make recommendation on the resource needs. The team of experts should include English language teachers, as well as an “external expert” who should be a well-qualified native speaker of English with broad experience at teaching English to Lao adult students;
- developing the teaching and learning resources for individual ASP sessions. Where relevant, the program should utilise resources already developed for ADS;
- working with the institutions to arrange provision of suitable teaching accommodation;
- recruitment and contacting of ASP staff (including NUOL ASP Head Teacher). The training should include briefing the staff on their individual and collective responsibilities, including for any pastoral care;
- purchasing of ASP teaching and learning resources; and
- developing M&E procedures and tools for the ASP.

Whilst the overall ASP curriculum framework should be established for a four year program, the development of the individual topics to be taught after the second half of 2012 could be postponed until later in the program. Based on M&E and lessons learnt, the ASP should be revised annually as required. This may involve further expert input. It is expected that in the first year of ASP, the teachers will be non-native English speakers, although this should be reviewed for the second year.

Given the desired rapid start up of the program, to commence in October 2011, the following set-up activities could, if necessary, be deferred until February 2012:

- developing a Student Learning and Pastoral Care Plan;
- developing the LANS MIS;
- incorporating LANS into the LASP website;
- updating the Risk Management plan;
- updating the M&E framework and developing an M&E plan; and
- developing the alumni strategy.

The MC should incorporate the policies and procedures into an integrated LANS Scholarship Policy and Procedures Manual. The manual should include policies relating to gender, anti-corruption, child protection, duty of care and environment. It should specify the roles and responsibilities of the program stakeholders, including for reporting and M&E. The manual should be produced in Lao and English and completed within six months of program implementation. The MC should regularly update the manual to reflect any changes to policies and procedures.

#### *4.3.2 Program Staffing*

The Program office facilities will be located in Vientiane College in Vientiane. The LANS program will be managed on a day to day basis by the MC's LANS Program Manager. Additional resources may be required for peak processing times (for example application shortlisting) or as awardee numbers increase. Expert advice (for example for the ASP curriculum development should be in-sourced, as required). A senior VC staff member will oversight the work of the LANS Program Manager and attend the PSC meetings. Annex I provides a draft duty statement for the LANS Program Manager.

The MC must ensure all personnel associated with the program understand the environment and culture of Laos and that they will at all times act in a fit and proper manner while performing their duties. The MC must also guarantee that it, and none of the employees or associates of employees, will receive a commission or payment by any other name or any kind of inducement for: processing a scholarships application; handling enquiries; or for taking any other action in relation to any aspect of the implementation of the scholarships processing cycle.

#### *4.3.3 Annual Scholarships Calendar*

For the most part, management and administration of a scholarships program is an annual activity, with a cycle of activities repeated in each year of the program. Annex J provides an indicative calendar for a typical scholarships cycle, necessarily organised around the schedules in the schools and the universities. The cycle commences with program planning in January, promotion in February, application closing in August/September, scholarships selection in September/October, and award offer in October. In a typical year, LANS awards should be offered as soon as possible after university entry has been confirmed, and wherever possible before university classes start in October, so that disadvantaged students are not faced with enrolment costs before their award is confirmed and allowances commenced.

In consultation with stakeholders, the MC will prepare a LANS calendar for each calendar/academic year to reflect any variations between universities and external events that can also impact on university timetables (for example major changes were made to university schedules in 2009 to accommodate the SEA Games).

It is planned that LANS will commence at NUOL with scholarships for the 2011/12 academic year. Given the extent of program establishment tasks that need to be undertaken by AusAID and the MC before the scholarships cycle can commence, the first LANS intake will not be able to follow a typical scholarships cycle. An indicative schedule for the first intake would be as follows:

Aug-Oct:	Program establishment
Oct:	Student commence at NUOL
Nov:	Program promotion and application receipt
Dec:	Shortlisting, interview and award offer
Jan:	Orientation and payment of LANS allowances
Feb:	Commencement of ASP

That is, the promotion and application phase will need to be shortened for the first intake. As many eligible applicants will already be enrolled at NUOL this should not represent a major risk, but may reduce access to some disadvantaged applicants who did not enrol in NUOL this year, but may have done so if they had been aware that LANS was commencing. To mitigate this risk, in consultation with GoL and NUOL, AusAID might arrange some preliminary program promotion.

To minimise the impact on students from socio-economic disadvantaged backgrounds (given the commencement of award allowances is not anticipated until early 2012, and that there may be unavoidable slippage in the above schedule), AusAID has indicated that it will back-pay awardee allowances to the start of the academic year (including reimbursement of compulsory university fees).

#### **4.4 Management Information System**

Unless there is a requirement for all the LANS data to be maintained only on an AusAID central Management Information System (such as OASIS), the MC should establish a basic LANS Management Information System (MIS). This should be developed in a software and format that will make it easy to be maintained by Laos universities/MoES when management responsibilities are transferred. The MIS should record essential data on applicants, awardee and alumni required for scholarship progress tracking and management, reporting and M&E. This would include personal identification information (including on age, gender, disability, province/district, native language), up-to-date contact details, secondary education achievement, university course data including field of study, application status, English language ability (over the course of the award), academic results, award status including estimated length of award, start/actual end dates and any variations and post-award data (province/district location, employment status/location/sector).

Financial data on the program including the expenditure on individual awards should be maintained, either in the LANS MIS or in the MC's financial management systems. The MIS should permit standard letters (e.g. of award offer) and reports to be generated. It should also permit the export of awardee data for transfer to institutions and of all data for analysis/use by AusAID/other stakeholders in other software (e.g. to Microsoft Excel/Word).

Given the initial small number of awardees, and for quality control, it is expected that the MC will be responsible for all data entry in the first two years of the program. In later years, consideration should be given to enhancing the LANS MIS so that it can be accessed on-line so that approved users can enter, update or view data (such as to enable the universities to directly enter academic results). At such time, universities will need to be provided with appropriate hardware, software, internet links and training.

### **5 Monitoring & Evaluation**

#### **5.1 M&E Framework**

Monitoring and evaluation (M&E) enables managers to assess a program's effectiveness, address accountability concerns and identify opportunities for improvement. It is also the basis for reporting program achievements. The LANS M&E Framework (MEF) includes the minimum information required to address the outputs and outcomes of the program design (Annex K). The MEF provides for both management data (e.g. are the scholarships well targeted, balanced by gender, regional representation and priority areas), as well as approaches to measure scholarship impact. It is organised around the major components of the program. Monitoring indicators, and the frequency with which they should be collected, are identified. The MEF also shows the anticipated source for the data, and the group or persons responsible for its preparation or collection. The monitoring system has been kept simple, first to avoid the collection of redundant information, and second, to increase the likelihood of compliance.

The program's short-term objectives of selecting awardees with particular characteristics (e.g. gender or disadvantage) will be measured for each new cohort each year, as will awardee academic progress and participation in the ASP. However the longer term aim of increasing "human capital" across Laos, by assisting students to graduate from university and move into the work force, cannot be realised or tested until after the first cohort of students moves through university, graduates, and goes into the work force – a process that could take four years or more. Even with more sophisticated approaches, the measurement of scholarship outcomes makes it difficult to correlate outcomes for individuals with long term economic and development trends. To measure the immediate outcome of the program post award (i.e. graduates finding employment and using their skills across the Laos priority human resource development areas), the MC will undertake tracer surveys of alumni after six months and again after two years to identify the patterns of employment, wages earned, further education (if any) and current residence.

AusAID Vientiane will also commission periodic independent impact longitudinal studies (using tools such as case studies, most significant change approach and surveys) to look at employment patterns and place of residence, and contribution to their country's development, as well as to collect data on any unintended impacts of the program. AusAID may also commission, on a one-off basis, a counterfactual survey to determine whether shortlisted applicants who did not get offered a scholarship successfully continued and completed their university education, their subsequent employment, any further education and place of residence. The lessons learnt are expected to help in refining selection and targeting approaches.

MC performance will also be measured by awardee and university surveys. The survey seeks to establish the awardee's level of satisfaction with the effectiveness and efficiency of the MC's services. AusAID Vientiane will annually convene a Continuous Improvement Meeting to provide AusAID and the MC the opportunity to discuss and identify measures to correct any shortcomings identified through M&E and the PSC.

A range of methods will be employed to gather information including through formal academic and activity reporting, staff and awardee/alumni surveys and case studies. Much of the quantitative M&E pre- and on-award data will be maintained on the LANS MIS. Data will be analysed using simple statistical analysis. All quantitative data will be disaggregated by gender, regional representation, origin workplace, disability, ethnicity and any cross-cutting issues requested by stakeholders. Qualitative data such as that gathered through open-ended questionnaires, interviews, case studies, and surveys will be used to elaborate upon quantitative findings and identify value positions.

The MC will develop an M&E Plan to operationalise the MEF on an annual basis. This should include the collection of baseline data from which outcomes and impact from the program can be monitored and evaluated. It may be appropriate, in subsequent years, to set targets for selected indicators. The MEF should also be updated as required to be consistent with the DCS, LASP and the AusAID Scholarships Section M&E guidance. The MC will also provide the universities with generic and LANS-specific training in M&E.

## **5.2 Reporting**

Reporting is an integral part of monitoring and evaluation and is the key to continuous improvement, program review and evaluation, transparency and accountability. Annex L contains the list of specific M&E reports to be provided by the MC and their timing and responsibility. Reporting by the MC is primarily to AusAID and, through the PSC, to GoL.

The Annual Plan which draws together the data collected from M&E and other reports, will be the foundation for monitoring the management efficiency of the program and will follow the format of AusGUIDE. The first Annual Plan (to be presented in December 2011) and each subsequent Annual Plan will include the work plan/budget for the following year; staffing plan and key policy documents. The second Annual Plan due in December 2012 and each subsequent Annual Plan will additionally include annexes that provide relevant scholarship and academic progress statistics, focus on training outcomes and broader post-award monitoring and evaluation outcomes, cover risk management, provide information on the effectiveness of promotional strategies, and address other issues including the implementation of alumni support initiatives.

The MC reports will provide input into AusAID's Vientiane country-wide Annual Program Performance Update and the annual Quality at Implementation report for the LANS Program.

## **5.3 Program Reviews**

As a result of the ADB-funded Strengthening Higher Education Project, changes can be expected to the higher education system in Laos. Changes to the structure of the school year and to the GoL quota scholarships are also being implemented as an outcome of the National Education System Reform Strategy. These changes will also impact upon the universities. All of this suggests the need for a scholarship program that is flexible and that incorporates a regular review process.



An Annual Strategic Review of the program is essential to long-term sustainability, and to keep the program relevant to its high level goal and objectives. The review should involve the PSC as well as other GoL counterparts and education sector donors. The MC will support the review and provide specified reports, including an Annual Plan, which will also report on quality assurance and performance monitoring results. Consideration of program reports, M&E and changes to the Laos development needs and education sector should inform review of the ongoing appropriateness and relevance of LANS strategic direction, selection criteria, field of study targeting, ASP and program management. Consistent with the emphasis on donor harmonisation, this review process will be informed by the activities of other donors. If the review is done in parallel with that of the ADS and the other LANS awards, this will facilitate effective responses to CPS and broader AusAID corporate initiatives as well as be informed by the activities of other donors.

Prior to the provision of scholarships for study at CU and SU there should be an independent assessment of the quality of education provided at these institutions. The feasibility study should also consider the readiness of CU and SU to take on any scholarship management responsibilities and the transfer of any additional scholarship management responsibilities to NUOL. The study should recommend any changes that need to be made to LANS management so that there is minimal disruption to the program and the achievement of program objectives. Dependent on progress with transition planning, this review would be undertaken in July/August 2012, so that revised implementation arrangements can commence in 2013.

An independent Mid-term Review of the program will assess both program and MC performance. It will make recommendations regarding the extension of the program to CU/SU and the transition of any program responsibilities to NUOL. The review should be undertaken in late 2013 (after the completion of the first scholarships cycle under new arrangements). The review would also consider whether, as an alternative approach, AusAID should provide direct funding to the GoL to support the GoL's revised quota scholarships for disadvantaged students.

It is noted that for the first two years of the program, LANS will only be offered to students commencing an undergraduate degree. Under this policy, former NUOLPS award holders would not be eligible for a LANS award. The mid-term review should re-consider whether the LANS program should be extended to support disadvantaged former NUOLPS awardees to complete their qualification.

## 6 Financial

### 6.1 Form of Aid Proposed

In small countries, how assistance is provided is as important as what is provided, and there are complex factors to be considered in choosing the most suitable arrangements to channel Australian aid resources to support scholarships for the disadvantaged to attend a local university. Options considered reflected the aim to apply the principles of the Paris Declaration on Aid Effectiveness, Vientiane Declaration on Aid Effectiveness and the Accra Agenda for Action whilst taking into account the program management capacity of the GoL and universities. In the interests of long-term sustainability, LANS management would be fully integrated with university and MoES systems. The options considered for LANS management over the next four years were:

1. Continued LANS management by AusAID	The NUOLPS program was managed directly by AusAID, and while the core elements of the NUOLPS were carried out efficiently (student selection, payment of fees and allowances and organisation of salaries for English teachers), other important areas (promotion, monitoring and annual reporting) were inadequately addressed due to an insufficient allocation of staff and resources. This option was not considered viable by AusAID
2. To centralise the management of the LANS Program within the MoES including selection, promotion and monitoring	This option was not considered viable. MoES have limited human resource capacity for large-scale program management and have other priorities set by the NSEDP. There would also be potential conflict and confusion between the LANS with the GoL quota scholarships funded by the MoES. This could be revisited during the

	2012 review with establishment of a new Department of Student Affairs at the MOES responsible for scholarship management.
3. Direct management by the universities/MoES - to localise the scholarships so that each university manages its own allocation including selection and monitoring	This option was considered to not be currently viable as the Laos universities have under-developed and under-resourced administrative systems and would at this stage not be able to effectively manage the additional responsibilities of the LANS Program. As a national scholarships program there is also a need to ensure uniformity of selection and on-award support throughout the country.
4. Direct budget support for the GoL own quota scholarship program	Not viable at this stage. The scheme is currently being reviewed due to limitations in its focus and the financial value of the scholarships. The GoL has weak public financial management and procurement systems that do not yet meet AusAID's fiduciary requirements.
5. Stand-alone project managed by a commercial contractor	This would not meet DCS intent to transition LANS management to local institutions.
6. Contractor management with transition of services to the public universities over time	The preferred option given the three universities already have some experience in scholarship management (the GoL quota scholarships), and additional experience would further develop capacity and at a later stage to fully integrate the program into local institutions.

So that LANS management is increasingly transferred to the Laos universities, the design includes:

- maximising government/university ownership of program policies and outcomes, through their participation in the PSC, the JSP and the Annual Strategic Review;
- use of the GoL definitions of socio/economic disadvantage;
- targeted fields of study to meet GoL defined development priorities;
- an implementation schedule including progressive transfer of activities over a four year period;
- specific training in LANS management for university staff to be conducted by the MC;
- generic capacity development training for university staff to be conducted by the MC;
- integration of support from donors other than Australia; and
- encouragement of mutual accountability for program performance, including through involvement in M&E activities and a small incentives fund.

The ongoing aid modality for in-country scholarships support should be reconsidered during the Mid-Term Review of the LANS Program. The GoL already has a university quota scholarships scheme for disadvantaged students, although limitation in the scheme and in MoE capacity, mean that it would not be appropriate for the aid funds to be channelled through this scheme at this stage. However under the ADB SHEP, there is a proposal to restructure the quota student admission system for better targeting of the poor and disadvantaged students so that overall budget allocation in the form of tuition subsidies and living allowances will be more equitable<sup>22</sup>. Once implemented, this proposal has implications as to whether there is an ongoing need for AusAID to continue to manage a separate scholarship fund, or to instead support the GoL quota scholarships, perhaps through direct funding to the GoL. Consideration of a change in aid modality for the in-country scholarships, and the timing of any change, would require analysis as to whether the two program objectives are complementary, whether merit-based and transparent awardee selection would be undertaken, and whether the fiduciary and program management risks are assessed as being modest and manageable.

## 6.2 Procurement

As a new program, and one that is flexible and may change over the first few years, the LANS Program will initially be outsourced to a local contractor experienced in scholarships program management. AusAID currently has a contract with the Vientiane College (VC) for management of scholarships under the Laos Australia Scholarships Program, of which the in-country LANS awards are a specified (but not yet implemented) component. The contract with VC expires on 31 December 2012.

<sup>22</sup> ADB (2009). Lao People's Democratic Republic: Strengthening Higher Education Project

The most cost-effective solution for program management and one which will allow the fastest start-up of the program is to expand the scope of services under the current AusAID contract with VC to include specified services for LANS management. VC is experienced in scholarships management and has managed Australian Scholarships under differing nomenclature since 1994. VC has indicated its preparedness and capacity to also undertake LANS management.

The services that the MC is to provide in the first year are detailed in the Implementation Schedule (Annex H) and indicated for more broadly for future years under the Component activities (in Annex E). The contract should explicitly include provision for the flexible transfer of scholarship management activities to the Laos universities. The contract requires the MC to work closely and collaboratively with AusAID Vientiane, recognising the need not only for responsibilities to be discharged effectively and efficiently but also to ensure the support and assistance provided to AusAID Vientiane is both timely and of high quality.

Whilst the design covers the next four years, in early 2012, AusAID will need to determine whether it wishes to continue to include LANS management under the umbrella LASP contract, or to tender for LANS management under a separate contract. This may involve a decision to update the design to reflect changing priorities and incorporating lessons learnt prior to going to tender.

It is noted that, even though activities will be transferred to institutions over the life of the agreement with the MC, it is likely that this will not significantly reduce the work of the MC as they will instead need to provide training and support to the institution. The MC may also need in the short-term to run parallel systems to gauge university administration compliance and to ensure that overall program time-frames and objectives continue to be met. The MC will need to report to the PSC on progress with respect to transfer of activities to the universities. Lessons learnt from the transfer of activities to NUOL should be applied at a later date to the other two universities.

### **6.3 Estimated Program Costs**

Consistent with international agreements on reforming how aid is delivered, the Australian Government has committed to more closely aligning assistance with the financing needs of aid recipients, and increasing the predictability of aid. Continued progress in this area will be particularly important in countries where Australian aid accounts for a large proportion both of total aid flows, and of recipient government resources<sup>23</sup>. In discussions with the GoL and universities and in promoting the LANS Program, AusAID should indicate its ongoing commitment for scholarships for study at the three Laos public universities.

The LANS budget includes costs under four components: AusAID program costs (including that of a Mid-Term Review, as well as any longitudinal/impact studies), Contractor Management Fees, Institution Administration Fees and Reimbursable funds. One of the main values of outsourcing the management of the LANS is that it allows AusAID officers to concentrate on monitoring and policy issues rather than undertaking routine administrative tasks. Working from this perspective, the most efficient way of handling the program finances is by way of a quarterly payments to the MC for its management fees and for reimbursable items. This assumes the program will be managed by a contractor with appropriate expertise and infrastructure including an accredited finance division, acceptable audit processes, and operating quality assurance procedures. AusAID management of program funding and its contractual arrangements with the MC will be compliant with the Financial Management and Accountability Act.

The MC would need to specify the reimbursable funds for AusAID/PSC approval in the Annual Plan budget. Reimbursable funds to be disbursed and acquitted would include:

- direct scholarship costs (paid to or on behalf of individual awardees) including stipends and allowances paid monthly into student bank accounts, and compulsory institution fees for awardees paid directly to the universities;
- supplementary support for awardees with disability (see Section 8.2);

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<sup>23</sup> ANAO Audit Report No. 44 2010–11

- governance, including travel costs and per diems for JSP/PSC members;
- administration fees paid to the universities to offset costs of program support, reporting and M&E;
- incentives paid to the universities for meeting performance standards;
- ASP, including curriculum development and review, salaries for ASP teachers paid monthly into personal bank accounts, staff training, teaching/learning resources, and reimbursements for ASP consumables paid directly to the Head Teacher;
- costs of ASP/SAO staff training, twice-annual monitoring visits and other approved pastoral care activities;
- approved program funds for: promotion, university capacity development, alumni activities and;
- M&E review costs including the Annual Strategic Review;
- LANS MIS development costs; and
- LANS specific training and generic training for university student administration and counselling staff.

An estimate of the LANS scholarship program costs is provided in Annex M and summarised below. The per student costs are based on the number of students on award in a year, based on the proposed intake of new awards at the each of the universities, with an estimated 5 per cent attrition rate per annum, and an assumed average 4.5 years of undergraduate study. Based on these assumptions, the program will commence with only 70 awardees in Year 1, increasing with new intakes and the addition of CU and SU to 243 awardees in Year 3, and an indicative maximum of 475 by Year 7 of the program.

Whilst some new cost items have been included in the cost estimates, the majority of cost items reflect the 2009 prices in the initial design, adjusted for an estimated 13 per cent inflation over the period (December 2009 to December 2011). Costs are indicative, as for example, actual costs are subject to: negotiation with Vientiane College (the proposed MC) as to the management fee under the terms of the existing contract; negotiation with the universities for the administration fee and any incentive funding; different compulsory university fees at the three institutions; the amounts approved following the review of the stipend/allowances; changing exchange rates; actual award length (average of 4.5 years assumed).

From the table below it can be seen that with increasing numbers, the total LANS cost increases from an estimated AUD\$207,000 per annum in Year 1, to AUD\$595,000 by Year 4. Given the establishment costs and scale economies with increasing student numbers, the average per annum cost of a LANS award per person varies from AUD\$2,960 in Year 1 (when there is high program establishment costs) to AUD\$1,730 in Year 4 (when there are scale economies with awardees at all three institutions). By the fourth year, the total direct allowances (which include a stipend of 400,000 kip per month), payable to, or on behalf of the student, represents almost 50% of the cost of the award. This is a modest scholarship, especially when compared with the cost of sending a student overseas to study.

Cost/Item	Total LANS Program Cost per year (AUD)				
	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	2014/15 Year 4	2015/16 Year 5
Direct award allowances					
once-off	9,590	9,590	15,344	15,344	15,344
annual	56,210	110,011	195,129	276,232	331,639
Academic support program costs	18,950	61,250	94,550	123,600	147,050
Reimbursable program costs	56,078	53,353	95,831	112,206	137,281
University administration fee	2,000	4,000	10,000	13,000	15,000
Contractor management fee	15,000	30,000	40,000	50,000	60,000
LANS set-up	30,000				
Program office setup	15,000				
Program office reimbursables	5,000	5,000	5,000	5,000	5,000
<b>Total (rounded)</b>	<b>207,828</b>	<b>273,204</b>	<b>455,854</b>	<b>595,382</b>	<b>711,314</b>
Number of awardees	70	137	243	344	413
Average cost per awardee (rounded)	\$2,969	\$1,994	\$1,876	\$1,731	\$1,722

One of the first tasks of the MC will be to update these cost estimates to reflect approved stipend allowances, agreed management fees and the exact tuition and other university charges.

## 7 Sustainability

Sustainability is defined as the continuation of benefits after major assistance from a donor has been completed where the focus is on the flow of benefits into the future rather than on sustainable programs and activities.<sup>24</sup> With regard to technical sustainability, the MC will establish clear and transparent systems, policies and procedures for all stages of the scholarships cycle. These include promotion, selection, orientation, on-award and post-award support. Sustainability will be addressed through good practice selection approaches, provision of on-award support to assist awardees complete their degree and post-award support to scholarship recipients through an alumni program. Strengthening selectivity will also maximise impact.<sup>25</sup> The LANS targeting of scholarships to socio/economic disadvantaged students and to key fields of study will improve sustainability by ensuring a better 'fit' with the GoL's reform agenda (NSED and NDPEP) policies<sup>26</sup>. Whilst there is likely to be effective scholarships management through outsourced contractual arrangements with a contractor, the progressive transfer of management tasks to the universities will need to be carefully managed to sustain program aims and objectives.

Scholarship processes will be well documented and endorsed by GoL representatives, through the PSC. The design encourages increasing GoL ownership over the life of the program. GoL and university representatives will participate in many of the scholarship activities (e.g. promotion and selection) from commencement of the program, and be increasingly involved in scholarships management over time. Technically, the skills and experience gained from involvement in LANS are sustainable and can be utilised in similar GoL scholarship schemes, or in continuation of the LANS Program if it were transferred to partner government ownership. The governance and management arrangements will also provide a basis on which AusAID Vientiane will be able to dialogue with the GoL and universities to encourage a greater share of the responsibility for ensuring the program's effectiveness and success. The Annual Strategic Review will also provide a forum to promote GoL responsibility in priority setting and planning, to review the alignment between the LANS and the DCS, and to set future directions for the scholarships.

For the program to be sustainable, donors and the partner government have to continue to believe in the value of the program – its aims, objectives and approach – to believe in the value of their investment. For a number of years the Australia Government has shown a strong commitment to scholarships as a valuable form of development aid. This new scholarship program, with its support for in-country activities, differs from the majority that are focused on training in Australia. In the interests of sustainability, stakeholders and managers with a commitment to the retention of the program need to ensure that the policy makers receive regular, accurate and positive reporting about the program outcomes.

GoL has limited financial resources for developing the education sector although a number of provinces are increasingly investing resources towards post-basic education, including university level education. Financially, without external donor assistance, LANS would be difficult to sustain. Whilst the GoL do support (quota) scholarships for university education, these are at a significantly lower level of benefit to individual students. There is likely to be a need for continued donor investment in facilitating access to university education for at least until Laos graduates from its LDC status. However the ESDG proposal to increase the value of and refocus the GoL's university quota scholarships is a development that may have implications for the ongoing need for AusAID to continue to manage a separate scholarship fund, or to instead support the GoL scholarships through direct funding.

With regard to sustainability of benefits beyond the acquisition of the qualification itself, the outcomes from the LANS funded undergraduate training and its developmental impact, much is dependent on awardees

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<sup>24</sup> *AusGuideline 6.4 Promoting practical sustainability, October 2005*

<sup>25</sup> *White Paper, p. 21*

<sup>26</sup> *Ibid*

finding employment after graduation and their ongoing contribution to rural development and poverty reduction. The careful awardee selection and targeting of fields of study, ASP and pastoral care whilst students are on-award, aim to maximise these outcomes. A strong alumni association will also sustain outcomes, through networking and communication between members, including the dissemination of potential employment opportunities. The undergraduate scholarship and the ASP English language training also facilitate a pathway to postgraduate education that will further support Laos development.

## 8 Cross-Cutting Policies

### 8.1 Gender Equality

The importance of addressing the gender imbalance that is endemic at all levels within Laos education is well recognised. Laos is making progress on gender equality and has articulated its policy commitment by making gender a high priority in both the NGPES and NSEDP. Australia's approach to supporting gender equality will be provided through national-level policy engagement with the Government of Laos and through program design, implementation and monitoring. The DCS states that Australia's support to the education sector will be the main mechanism through which we will judge the success of gender outcomes. Under the NUOLPS, a total of 484 scholarships, 259 to men and 225 to women have been awarded to over 12 cohorts of students.

Through the LASP, including LANS, Australia will continue to ensure that equal numbers of men and women benefit from the scholarships. While the LANS Program aims to promote gender equality, candidates are not playing on a level pitch. Current indicators show that boys from urban areas of lowland Laos, particularly Vientiane Capital, have a much stronger chance of completing basic education and going on to university than girls, particularly those of girls in remote areas.

The program design includes the following features that are sensitive to gender differences throughout the scholarships cycle, including:

- that access for women to higher education, and gender equality, is made explicit within the program objectives;
- promoting the scholarships to young women while they are still at school and to use any media outlets that specifically target a female audience;
- using promotional material that stresses that female applicants are targeted and that the aim will be to award the same number of scholarships to women as to men;
- that gender balance will be achieved before short-listing, through comparing applicants within separate male and female pools;
- incorporating fields of study in the eligibility criteria that are traditional areas of study/employment for females;
- incorporation of topics in the ASP that are designed to address the specific support needs of female awardees;
- gender-sensitive pastoral care;
- disaggregating all data by gender in all analysis, reporting and M&E;
- involving both women and men equitably in other aspects of program management such as representation on the PSC, JSP and in the ASP and in all SAO capacity development activities; and
- regularly reviewing gender issues in light of AusAID's gender mainstreaming policy throughout the life of the program.

### 8.2 Disability

Ensuring development is inclusive is a priority for the Australian and Laos governments. Strengthening Australia's focus on disability in the aid program is integral to sustainable development and an essential part of achieving the Millennium Development Goal to improve the well-being of the world's poorest people by 2015. With the release of *Development for All: Towards a Disability-Inclusive Australian Aid Program* in 2008, the Australian Government expressed its commitment to extending the benefits of development to all, and to promoting the dignity and well-being of people with disability. The GoL draft decree on the '*Rights of Persons with Disabilities*' commits the government to providing 'inclusive education' for people with

disability through appropriate facilities, curriculum and teacher training; establishing 'special education' facilities to cater for individuals unable to participate in main-stream education programs; and to provide financial support to people with disability to offset their educational expenses. Through the DCS, Australia will look to operationalise the relevant elements in the national strategy and action plan for disability currently being developed by the Laos Disabled People's Association with support from Australia.

Barriers to education by people with disability are created by numerous factors including: physical, information, communication, technology, attitudinal, social and institutional. It is likely that such barriers will have already limited the number of academically able students with disability from graduating from secondary school and intending to enrol in university studies. The LANS program design aims to reduce barriers to people with disability who are qualified to undertake university study from applying for a scholarship and successfully completing their course of study. Addressing these barriers through increased awareness and flexibility at the various stages of the scholarships cycle (promotion, selection, on-award support and post-award) does not necessarily have to be resource intensive.

To improve the promotion of LANS to students with disability, disabled people's organisations in Laos should be consulted for advice and assistance in targeting appropriate individuals, organisations and training needs. There should be adequate and appropriate information on the LANS awards (in an accessible format) should be disseminated to people with disability, as well as to people within their representative/ support organisations, including any careers/vocational guidance counsellors within the school system. Promotional materials should portray people with disabilities actively studying.

Potential applicants who identify themselves as having a disability should be asked to provide details of their disability/special need. The MC, with advice from AusAID and disability support experts as required, should arrange specific support to applicants in the pre-award processes. This could, for example, include support in completing the application form for an applicant who is fully or partially blind, or in providing access to a clarifier in the interview process for an applicant who is deaf or hearing impaired.

AusAID Vientiane should determine their policy on the selection and award of scholarships to people with disability (who meet the eligibility criteria including having been accepted for university study). This may include:

- i. Considering eligible applications from people with a disability based on their merit on the same basis as other applications;
- ii. Nominating applicants with a disability as a target group of disadvantage who are given preferential weighting in the selection criteria;
- iii. Setting aside an indicative number of scholarships for eligible applicants with disability (based on the available funding).

Subject to further analysis and consultation, the third option may be most appropriate for a relatively small program such as LANS. This would provide more direct and obvious affirmation of the inclusiveness of the scholarships. Compared to the second option, it would provide more certainty as to program expenditure and set a reasonable expectation with stakeholders as to the number of awards that might be made available to people with disability. AusAID should identify the amount of funding that it is able to allocate for additional support for awardees with disability. An indicative budget for this has been included in the cost estimates (based on an indicative 5% of awardees requiring support at USD\$1,000 per year). In any year, the program would need to balance the actual number of awards offered, based on the assessed supplementary support costs for applicants with disability. Any underspend of the available budget could be reallocated to other applicants, to allow additional awards for students with disability in future years, to provide scholarships for people studying topics relevant to disability, or to provide institutional strengthening in the area of disability services.

Before an award is offered, an assessment would need to be undertaken as to whether reasonable accommodation could be made to support the applicant with disability to complete their course of study successfully. Reasonable accommodation means necessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons

with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms<sup>27</sup>.

Given limits to available funding, an upper cost limit for reasonable accommodation would need to be carefully determined in relation to the scale of the program and alternative sources of funding support. If award of a LANS is to be dependent on a reasonable cost criteria, then it will be important to avoid giving false expectations to potential applicants as to the likelihood of them being awarded a scholarship.

Support costs for awardees living away from home are likely to be higher than for those remaining within their existing support system. The on-award cost of making reasonable adjustments to training/student accommodation facilities, and/or providing human resource support services and/or assistive /adaptive technology will depend on the individual's specific needs and circumstances. It will also depend in the physical infrastructure and facilities at each university/campus, with specialised facilities for people with disability likely to be limited in the Laos universities. An interview with the applicant (and their support person, as required) and with the institution to assess any limitations in the training environment would be required before making a decision to offer a scholarship. Expert advice may be required for individual cases.

Dependent on available budget, from the LANS Program or elsewhere, AusAID may wish to consider whether barriers for people with a disability are also able to be addressed in the universities, through providing technical advice and/or funding for:

- disability awareness with teaching, support and administration staff;
- funding for improved accessible infrastructure such as ramps and surface tactile indicators to allow for accessible and safer mobility around campus;
- assistive/adaptive technology within common spaces such as libraries to allow for students with vision impairment and other disabilities that have barriers to accessing mainstream technology to use a reading, writing and research tool on campus; and
- disability support services at the institution. This could include for example, a service that has staff that coordinate access to alternative format reading materials, note taker support, alternative exam arrangements, sign language interpreters and other supports relevant to creating a level playing field for students with disabilities.

Following offer of an award, continued support should be provided to awardees with disability including:

- adjustment to award length where required;
- liaison with the university to discuss reasonable changes to the study environment;
- liaison with the university regarding provision to the awardee of accessible rooms within the student accommodation;
- ongoing pastoral care and support in accordance with the disability inclusive provision of the *Pastoral Care Plan*; and
- seeking advice by a member of the Disabled People's Association on disability inclusive matters.

The program approach to supporting disability inclusive scholarships should continuously learn from disaggregating data by disability in analysis, reporting and M&E. It should also be reviewed to reflect the policy on disability inclusive scholarships being developed by the AusAID Scholarships Section. AusAID Vientiane (or the MC on their behalf) would need to undertake further analysis and consultation before determining its policies and processes in this important but complex area. This should include consideration of any legal and other regulations that may be applicable in Laos, or for AusAID funded programs in Laos. As there is a very narrow time-frame before the commencement of scholarships in 2011, specific policies for people with disability may need to be deferred until the second year of the program.

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<sup>27</sup> Article 9 (Accessibility) and 24 (Education) from the Convention on the Rights of Persons with Disabilities



### **8.3 Anti-corruption**

Corruption remains a serious governance concern in Laos, attributed in part to a lack of understanding of what constitutes corruption on the part of the general public and amongst officials who receive low salaries.<sup>28</sup> Under the DCS approach, AusAID will support programs that reduce opportunities for corruption, including those that strengthen strategies that reduce the risk of corruption in delivering the Australian aid program. There are a number of areas where corruption can occur in the scholarships cycle.

During the NUOLPS review, some government and university officers mentioned the possibility of corrupt practices in paying for improved scores in the end-of-school exam results. To counter this, the complete school record will be reviewed to see if it is consistent with the end-of-school exam result, and applicants will be required submit an academic reference from a class teacher. None of these methods are foolproof in themselves, but taken together they may help to minimise malpractice. Having all applicants sit a scholarship specific exam could be a solution, however the complexity and costs involved in mounting such an exercise across the country outweigh its potential benefits.

Claims of socio-economic disadvantage also need to be tested. First, the applicant will be asked to supply information through the application form about the financial circumstances of his or her family and of the location of their village. Second, the applicant will be required to submit a copy of the family registration book to confirm any claim to come from a particular (poor) district. Third, the applicant will need a letter from the Village Head stating the financial status of the candidate's family. And fourth, all of this information will be subject to examination during the selection panel interview. All applications (the long-list) will be provided to the JSP for verifying the short-listing process undertaken by the MC. Should applications be accepted directly by the institution, applicants will be able to also submit their details to the MC to ensure that their applications are included in the short-listing process.

To minimise opportunities for corruption in the selection process, the JSP will be governed by a ToR and documented procedures for award selection, including for declarations of any conflict or interest and protecting applicant confidentiality. This will also enable JSP members to be better protected against any charge of collusion or corruption. With representatives from a diversity of organisations involved in the selection process, the possibility for inappropriate practice is significantly reduced. The PSC with separate ToR and different membership where possible in a small country will oversight the work of the JSPs.

With respect to the funds being distributed through the scholarship the possibility for misuse can be minimised by continuing the AusAID practice of paying the stipends on a monthly basis directly into the student's personal bank account. Compulsory fees should be paid directly to the university, or reimbursement made to the student only on the production of official receipts. An important consideration when selecting a contractor to administer these funds is to ensure that the organisation has fraud and anti-corruption policies and procedures in place. Contractor staff will be bound by codes of conduct and a LANS Policy and Procedures Manual. Financial expenditure by the contractor on the program will be reported and acquitted quarterly and subject to an annual external audit.

### **8.4 Child Protection**

While the scholarships are for university students, some scholarship promotion will take place in secondary schools. Staff employed by the MC will need to be given training, and sign a contractual undertaking to adhere to AusAID's child protection policies and procedures in implementation of the program.

### **8.5 Environment**

Australia recognises that effective environmental management is central to sustainable growth and poverty reduction. In Laos this is becoming more obvious as the increasing exploitation of water for hydropower and forest resources, which have contributed significantly to past growth, are now placing increasing pressure on the environment. Through the DCS, Australia's sub-regional programs across the Mekong region will examine opportunities for integrating water resources management to mitigate climate change impacts. The

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<sup>28</sup> ADB Country Strategy and Program, Laos People's Democratic Republic, 2007-2011, September 2006

LANS Program has no direct connection to environmental issues except incidentally through the priority subjects supported by the scholarships such as forestry and natural resource management<sup>29</sup>. There are no implications for compliance with the Environment Protection and Biodiversity Conservation Act.

## 9 Risk Management

Donor programs in Laos face a range of risks, including corruption (discussed above). A central and significant risk is the lack of sustainable impact—the lack of capacity and reach of the Laos public service (through which most donors engage); the vulnerability of the reform agenda; the multitude of aid activities being delivered by a large number of donors (with aid not well harmonised or aligned beyond the basic education sub-sector); and the modalities of delivery chosen to date (parallel funding rather than using government systems).

A risk management plan has been developed for the new LANS Program as listed in Annex N. Risk is identified in the following factors: partner government and stakeholder support; program management; targeting; scholarship policy and administration; on-award support and scholarship outcomes. The MC will be expected to manage and mitigate the risks appropriately and to report on risk management in the Annual Plan, or at the time of any escalation of risk to the program. The most significant risks identified are that:

- program establishment, which will have to be carefully resourced and managed to award scholarships at NUOL before the end of 2011;
- stakeholders may not support the proposed changes to the program, including the phased introduction of scholarships to CU and SU in 2013. This will need to be mitigated through consistent consultation and communication with stakeholders to improve understanding of program objectives and the risks involved in providing scholarships too quickly to new institutions;
- the CU and SU may not have the ability to provide administrative support to the scholarships program. This will need to be managed through an assessment of institution capacity, provision of training and resources, and if necessary changes to the proposed management approach;
- the ASP not contributing to satisfactory academic progress of awardees, but instead are an additional burden to awardees. This will be mitigated through careful design of the curriculum and regular monitoring for continuous learning and improvement;
- high failure rate of awardees. This will be mitigated by selection of applicants with sufficient academic ability to complete their studies, provision of sufficient allowances, provision of a relevant ASP and pastoral care;
- an inexperienced and underqualified MC. This will be mitigated by making sure that the MC is experienced, competent and flexible to ensure the program achieves positive outcomes from outsourced program management;
- transition of LANS management to universities. This will need to be managed through an assessment of institution capacity, provision of training and resources, and if necessary changes to the proposed management approach;
- awardees do not find work on completion of their studies. This will be mitigated through nominating fields of study that are most in labour market demand and through providing advice in the ASP in finding work after graduation;
- awardees do not return to their district to support its development. This will be mitigated through selecting awardees who are motivated to contribute to their country's development, providing allowances for awardees to return home to renew linkages during end-year breaks; and
- fraud or corruption. These should be addressed through program governance and the MC's security and anti-corruption policies and procedures.

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<sup>29</sup> See Annex F for the full list of supported subjects