

## Annex 1 – Template for SWG reporting

### **Name of Sector Working Groups: Education Sector Working Group**

**SWG Chair: Minister of Education and Sports**

**Co-Chairs: Australia and EU**

#### **SWG key mandate:**

- Promote development of the Education Sector through implementation of the ESDP, with attention to gender equality;
- Provide a mechanism for government and development partners to engage in joint review, planning and prioritization, resulting in the production of an Annual Costed Sector Plan, based on the ESDP, and aligned with GoL planning and budget cycles.
- Mobilize and encourage the efficient use of combined GoL and external resources and increase the transparency and predictability of Development Partner assistance within the sector.
- Support the achievement of specific aid effectiveness milestones as set out in the VDCAP 2011-15.

## **I. Sector Overview**

### 1.1 Provide a brief report of the sector key interventions and achievement within 2015

During 2015 there have been two ESWG Technical level meetings (June and October) and one ESWG Executive level meeting (November). During the year, the European Union (EU) joined Australia as Co-Chair of the ESWG, replacing UNICEF. In 2013 the ESWG Terms of Reference (TORs) were updated to include four Focal Groups and multiple meetings of these groups have been conducted in 2015. With support from Australia, the ESWG will revitalise provincial coordination meetings of the ESWG. The fourth Joint Sector Review Mission was undertaken in August 2015.

At the policy level, the major focus during 2015 was on developing the Education Sector Development Plan (ESDP) 2016-20 and updating the Education Law. The ESDP 2016-20 was based on an agreed Theory of Change, with 11 outcomes supporting the overall goal. These outcomes are consistent with the internationally agreed fourth Sustainable Development Goal (SDG) which focuses on education quality improvements. A comprehensive financing plan to cost the ESDP 2016-20 was also developed. The ESDP 2016-20 also includes more detailed sub-sector plans and development of these plans was supported by a grant from the Global Partnership for Education, together with contributions from other development partners. These approaches, together with extensive sub-national consultations resulted in a more realistic and strategic Plan with broad ownership.

The Education Law has been updated to respond to ASEAN integration and the fourth Sustainable Development Goal. A key feature of the new law is that free and compulsory education has been extended to include lower secondary education.

On June 5, 2015 the Prime Minister signed Decree 177 on Higher Education, clarifying the nature of higher education in Lao PDR and the Higher Education Decree was signed by the Prime Minister in June 2015, clarifying the roles and responsibilities of higher education institutions. On the 28th August 2015, the completion of the non-formal primary education equivalence program, for 15 to 45 year old people was announced.

Responding to the large social demand for early childhood education, the percent of new entrants to primary grade 1 who have had some form of early childhood education exposure increased from 45 percent to 51 percent over the last year. There is a new Technical and Vocational Education and Training (TVET) Development Plan 2016-2020 and a concept for a vocational qualification framework together with a generic implementation manual. A separate concept was prepared to address the restructuring needs of the National Training Council – Permanent Office. There are also new implementation arrangements for management of ODA.

A number of new large projects were launched in 2015, including the World Bank funded Early Childhood Education Project; the Australian funded Basic Education Quality and Access in Lao PDR (BEQUAL) which will also receive co-financing from the EU; the second Global Partnership for Education funded project (GPE II) that focuses on school based management at primary level; and the German funded Vocational Education in Laos/VELA-FC program that will improve quality access to vocational training and also improve the qualifications of vocational instructors. Japan is continuing to support MDG2 through its Community Involvement in Education Development Phase 2 project and also the Project for Improving Teaching and Learning Mathematics; and ADB is preparing follow-up project designs in the areas of TVET and higher education. INGOs continue to support primary education across the country through a range of interventions reaching the most disadvantaged children. UNICEF has supported printing and distribution of primary textbooks. GIZ has piloted a program for disadvantaged persons leading to TVET Certificate 1 and Certificate 2 to enable young people who have not complete lower secondary education to enrol in formal TVET courses.

#### *MDG 2 Education:*

Progress in achieving MDG2 targets continues to be made, but improvements in the Grade 1 dropout rate have been slow. Primary net enrolment rate increased from 98 percent in 2013-14 to 98.5 percent in 2014-15, with gender parity increasing from 0.96 to 0.97 in 2014-15. Survival rate to grade 5 increased over the same period from 77.5 per cent to 78.3 percent, with girls having a 3 per cent margin over boys for survival rate to grade 5. However, grade 1 dropout remains the major barrier to achieving MDG 2: At a national level, grade 1 dropout improved from 9.9 per cent in 2013-14 to 8.5 percent in 2014-15 but rates vary across the country. For example, eight rural districts continue to have a grade 1 dropout rate greater than 20 percent.

Grade 1 repetition rates declined from 15 per cent during 2013-14 to 13.5 percent in 2014-15. However, repetition rates vary considerably across districts, with repetition rates greater than 20 per cent in 23 districts. Grade 1 repetition rates among boys is almost two per cent higher compared to girls.

School block grants were introduced to support quality improvements at the school level. Although the per-capita grant was increased to 60,000 kip per student, revenue constraints caused delays in disbursement of these grants during the 2014-15 school year. These grants have now been disbursed to schools at the beginning of the 2015-16 school year.

#### *Exit from Least Developed Country Status*

Improvement in the Human Assets Index (HAI) is required for exit from Least Developed Country Status and the education sector is responsible for two of the four indicators: the Gross Secondary School Enrolment Rate and the Adult Literacy Rate.

## Secondary Education

The Gross enrolment rate (GER) for lower secondary education has increased from 74.4 percent in 2013-14 to 78.1 percent in 2014-15. Over the same period the GER for upper secondary education increased from 41.3 percent to 45.8 percent. The overall secondary GER target is 75 percent and given the high transition rate from primary to lower secondary of 92 percent, this target will only be achieved if more students complete primary school.

## Adult Literacy

Overall adult literacy rates will not be known until the results of the 2015 population census become available. However, the Department of Non-formal Education has placed great emphasis on eradicating illiteracy among the 15 to 24 year old age group and on 28 August 2015, announced the completion of the primary education equivalence program.

## *Financing*

The 2014-15 budgetary allocation to the education sector was USD458 million (a primary share of the GoL budget equal to 13.6 per cent, a decline from a 14.5 percent share in 2013-14). ODA was USD90 million in 2014-15 compared to \$100 million in 2013-14. Pressure on the education budget has resulted in delays in paying the salaries of teachers and administrators on time, and a lack of operational budget for schools which continues to limit quality improvements in the sector

## **II. Overview of FY 2014-2015 Sector Performance**

*Please note, as a snapshot of the 7<sup>th</sup> NSEDP achievements and challenges is prepared by Department of Planning/Ministry of Planning and Investment (reporting against substantive indicators), SWGs are only required to report against process indicators highlighted in the previous year RTM/RTIM follow up matrix. However, an analysis from the findings can be briefly provided*

<b>Sector outputs and activities</b> (Reporting against process indicators as per the previous year RTM/RTIM follow up matrix and some other related activities as appropriate)	<b>Progress</b>	<b>Challenges and measures</b>	<b>Key messages to inform discussions during the HL RTM</b>
Activity/action: Monitoring			
<u>Indicator:</u> The ESWG supports an annual Joint Sector Review Mission and this should be the primary mechanism for monitoring	The 2014 JSRM agreement to hold sub-national consultations on grade 1 dropout and repetition was	The structure of JSRM is that focus areas change each year, thus financing of the sector and teacher deployment issues	The very small share of the non-wage recurrent budget continues to limit quality improvements in the sector. There is an overall oversupply

implementation of recommendations.	implemented in early 2015.  A central budget line for school block grants has been established and the per-capita grant has been increased to 60,000 kip	were not addressed in 2015.  Revenue flow constraints resulted in school block grants arriving at district level at the end of the school year.	of teachers, although low efficiency of deployment results in many schools with an under-supply of teachers. More flexibility in exchanging resources between MoHA and MoF is required*.
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Activity/action Improved survival rate			
<u>Indicator:</u> increased survival rate to primary grade 5 – 95% by 2020. (Baseline of 2013-14 is 77%)	Survival rate to grade 5 has increased from 77.5% to 78.3% and grade 1 dropout has decreased from 9.9% to 8.5%.	Steady but slow improvements are being made**. For grade 1 dropout, 8 districts continue to have rates above 20%.	Greater human and financial resources need to be directed to the most disadvantaged districts to improve dropout rates.

*Explanatory Note:*

\*More flexibility in exchanging resources between MoHA and MoF is required: Each year, MoES receives a quota of new civil service positions from MoHA. It is not possible to “exchange” these positions for more non-wage recurrent funding from MoF and declining these new positions may have a negative impact on longer term staffing needs. Annual increases in teaching staff also makes it more difficult to implement other strategies such as redeployment to improve the efficiency of teacher deployment.

\*\*More recent slower improvements in primary survival and dropout rates is the result of the most hard to reach populations remaining. While significant improvements have been achieved in urban and rural with road access areas, it is much more difficult in the very small, isolated and remote villages. Improved service delivery to such villages will come at a much higher unit cost for both wage and non-wage budgets.