

Education Sector Report to 2019 RTM

Name of Sector Working Groups: Education Sector Working Group

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Chair: H.E Mme. Sengdeuan Lachanthaboun, Minister of Education and Sports

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A. Sectoral thematic areas

1. Actions/activities relating to the RTIM key recommendations

1.1 Human Capital Development

Background

The thematic chapter of the January 2019 edition of the Lao Economic Monitor published by World Bank focuses on Building Human Capital for Poverty Reduction. The following observations were made:

- In Lao PDR, the Human Capital Index improved by 10 percent from 0.41 to 0.45 between 2012 and 2017 but remains lower than is expected for its income level. What this means is that when a child born today in Lao PDR grows up, she will only be 45 percent as productive as she could be if she enjoyed complete education and full health care.
- Lao PDR has improved over time in relation to human capital components, but this level is relatively lower than what would be expected for its income level. Given limited fiscal space, systemic and sector-specific interventions will require prioritization of areas and population groups where education and health outcomes are relatively poor, that is, in rural areas among the non-Lao Tai population, who are usually at the lower income deciles.
- Earning a non-farm wage income did not improve the chances of escaping poverty among low-skilled non-farming households, indicating that individuals with a relatively low skill set have difficulty escaping poverty. Only the transition out of agriculture to higher-paying jobs (mostly in the service sector) is sufficient to lift people out of poverty, which highlights the need for training to upgrade skills when transitioning into the non-farm.

- In education, while children in Lao PDR can expect to complete 10.8 years of schooling by age 18, the quality-adjusted learning is relatively low at 6.4 years, implying a learning gap of 4.4 years.

ADB have noted

- Unless the country's youth complete secondary education, their basic foundational and soft skills, which are critical for higher studies and/or work, will remain inadequate. This will trap them in a vicious cycle of low-skill, informal sector jobs, with bleak prospects for decent employment or a meaningful career.

The revised 2014 Education Law mandated lower secondary education as being compulsory.

Progress

- Primary cohort completion rates have increased from 70% (female 72.3%) in 2012/13 to 80% (female 83.1%) in 2018/19 indicating that more students are eligible to transition to lower secondary.
- Gross Enrolment Rate (GER) in secondary education from 55% (female 52%) in 2012/13 to 71% (female 69%) in 2018/19 but the rate of improvement has slowed (1% increase per year over last 3 years). For lower secondary, the GER increased from 66% to 81% over the time period, although limited improvement over the last 3 years.
- Cohort survival rate has improved but remains too low for the required skill levels as Lao PDR graduates from Least Developed Country status. As of 2018/19, of children who enrol in primary grade 1, only 51% survive to the last year of lower secondary and 33% to the last year of upper secondary level.
- Overall the proportion of the Completion Rate (correct age students reaching the final grade) for lower secondary increased slightly from 71.8% in 2017-18 to 72.4% in 2018-19. Improvements were also seen in 10 provinces, but 8 provinces saw a fall in performance.
- There has been an expansion of access to lower secondary education through an increase in the number of lower and complete secondary schools (see Table 1 in Annex 1), both public and private schools. The total number of public schools offering lower secondary education increased from 1,382 in 2012/13 to 1,612 in 2018/19.
- Other sub-sectors have made progress in developing human capital, notably TVET, Teacher Education and Higher Education but this report focuses on lower secondary following the findings of the ESDP 2016-20 mid-term Review which highlighted the need to strengthen lower secondary since it is a pre-requisite for entry to these other sub-sectors.

Challenges

- While participation in secondary education has improved, significant disparities remain with lower participation rates (net attendance ratio) in rural areas than urban areas, particularly those in rural areas without road access. Participation rates are much lower among Mon-Khmer and Chinese-Tibetan populations (see Table 2 in Annex 1).
- Transition rates from primary to lower secondary have declined from a peak of 91% in 2014/15 to 85% in 2018/19 and dropout rates in lower secondary have increased: from 6.3% in 2013/14 to 9.5% in 2018/19. Dropout from the first year of lower secondary has increased from 8.8% to 11.3% over the same time period.
- According to the World Bank's Human Capital Index, (Lao Economic Monitor January 2019) children in Lao PDR can expect to complete 10.8 years of schooling by age 18, but the quality-

adjusted learning as determined by World Bank is relatively low at 6.4 years, implying a learning gap of 4.4 years.

- Repetition rates at primary and secondary levels, increasing dropout rates at lower secondary and declining transition rates between primary and secondary education all increase the “cost” of producing secondary graduates. Average pupil years invested in each upper secondary graduate is 24.8 years indicating low efficiency and wastage of resources.
- The 2017 Assessment of Student Learning Outcomes at Grade 3 report found that nationally only 34% of grade 3 students reached the required level of proficiency in Lao language and only 18% attained proficiency in mathematics. These results indicate that the current levels of provision of primary education are not adequate to prepare students for entry into secondary school or to maintain functional literacy for those that drop-out.
- Unlike primary education, secondary education requires many and generally better qualified teachers in order to cover all the subjects in the curriculum, and so the cost of providing one year of secondary education to each student is much higher than in primary. There are 887 public lower secondary schools, 1,758 that provide both lower and upper and 34 upper-only schools. Of the 887 public lower secondary schools, only 29 have an enrolment greater than 500 and 191 have an enrolment less than 100.
- There are very limited economies of scale available in the provision of lower secondary due to the highly dispersed nature of population. For example, in smaller lower secondary schools, pupil to teacher ratios are 9:1 compared to 20:1 in lower secondary schools with more than 500 enrolments and compared to 25:1 in primary schools. Similar inefficiencies are seen in upper and complete secondary schools (See Table 3 in Annex 1).

Conclusions

Universal participation in lower secondary education built upon a solid foundation of early childhood and primary education is necessary to build the necessary human capital required to benefit from graduation from Least Developed Country status. Further improvements to the quality of early childhood and primary education are needed to provide this solid foundation. However, the very dispersed nature of the population combined with infrastructure and financing challenges makes the current approach to lower secondary service delivery unaffordable in achieving this target. Expansion of lower secondary will require increased investment in more rural areas and using the current approach this will require many more small schools with a pupil to teacher ratio that cannot be financially sustained. Therefore, the main conclusion to be drawn is an urgent need to fundamentally reform provision of lower secondary education within the context of the current 5+4+3 system of primary and secondary education. These same challenges are included for discussion in consultation meetings that will inform the drafting of ESSDP 2021-25

1.2 Levels of investment in human capital and skills development

The 2018 RTM suggested that levels of investment in human capital and skills development would need to be increased. The mid-term review of ESDP 2016-20 concluded that “soft skills” produced from primary education are inadequate to build human capital in subsequent levels of education. Thus, investing to improve human capital must begin with improving learning outcomes (soft skills) at primary level while at the same investing in expansion of lower secondary using a more cost-effective approach.

Progress

Current and future projected external financing to secondary education is 10% of total external financing; 18% to TVET and 5% to higher education. Primary education receives 44% of external

financing. (Source: data submitted by development partners to Department of Planning for ESSDP 2021-25)

MoES has recently finalised a new concessional loan of USD 50 million to (i) Improve secondary education and training, building or upgrading secondary schools, and creating industry links, all of which will increase the number of secondary education graduates and their employability; and (ii) Increasing enrolment and completion rates of girls in secondary education, so that they can pursue higher education and compete for employment opportunities. Investment to increase the number of and ensuring well-prepared graduates from lower secondary education to enter the labour market or to create their own enterprise will therefore be able to take greater opportunities and benefits from TVET education, a sub-sector for which external financing is ongoing.

Challenges

The mid-term review of ESSDP 2016-20 concluded that the very limited share (10.8% in 2019) of the GoL non-wage operating budget to education restricts the scope of teacher training that is needed for teachers to deliver the new curricula at primary and secondary levels. Only 3.5% of the total local investment budget is allocated to education. Increasing the investment budget (both external and local) must be carefully balanced to ensure that subsequent recurrent costs are sustainable.

A major challenge is to identify a service delivery model for lower secondary that can be expanded in a way that is financially sustainable and provides a basis for strengthened skills development. Apart from Vietnam, Lao PDR is the only other ASEAN country that provides only 5 years of primary education. Thus, any new service delivery model for lower secondary must build on an appropriate and more effective primary education structure and transition to lower secondary education

Conclusions

Increased investments, along with efficient and effective utilisation practices, in lower secondary education are required to build the necessary human capital required to benefit from graduation from Least Developed Country status but a more cost-effective delivery model is needed to better manage the large recurrent costs of any expansion.

2. Other substantive actions/activities relating to overall sectoral strategies, if applicable, to support the implementation of the 8th NSEDP

2.1 New TVET Law

A new TVET Law is ready for approval but an English version is not yet available. However, in this law, the Department of Technical and Vocational Education is trying to integrate both literacy and skills in the system so that that students who completed Certificate 3 (1-year course) have equivalence with those completing lower secondary education.

B. Communication and outreach activities with the sector and across Sector Working Groups

The ESWG has managed a broad consultative process to begin preparations for a USD 15 million grant from the Global Partnership for Education (GPE) which should begin in early 2021. The current GPE funded projects will be completed by the end of 2020.

Following on from the recommendations of the mid-term review of ESDP 2016-20, MoES has begun consultations with the private sector and the Ministry of Labor and Social Welfare to understand improve existing data sources to periodically assess trends in labour market demand.

C. Cross-sectoral thematic areas applied to all SWGs

1. Partnership for Effective Development Cooperation (in accordance to VDCAP 2016-2025) (Only narrative on each principles)

Ownership

ESWG Focal Group ToRs have been updated to be more relevant, to strengthen linkages with ESWG and ESSDP 2021-25 development with MoES leading all groups.

Alignment

MoES is in the process of developing a proposal for grant funding from the Global Partnership for Education (GPE) which should begin in early 2021. World Bank will pool their own funds with GPE funds with all funds using government systems. JICA and Australia will also provide additional financing aligned to the new GPE project but while not using government systems, a GPE III Coordinating Committee has been formally established to ensure alignment.

All external financing is included in the overall financing plan for ESSDP 2021-25.

Harmonisation and Simplification

MoES and development partners use the Focal Group structure to regularly jointly carry out planning, review, monitoring and evaluation of priority development effectiveness issues to support the realisation of the national development agenda. Examples of harmonisation include:

The European Union (EU) provides direct budget support of \$70 million to the Lao government to implement the key education policy of the ESDP 2016-2020. The support is focusing on improving the education performance in rural and remote districts. In addition, the EU is partnering with UNICEF to support the education system strengthening across the country, with intensive support to the 40 districts identified by MoES as priority disadvantaged areas. **Inclusive Partnerships for**

Development Results

A broad consultative process that includes MoES at national and sub-national levels together with traditional donors, NGOs and NPAs is being implemented in developing the ESSDP 2021-25 and to improve overall governance and efficiency in the implementation of education plans. As a follow-up to the mid-term review of ESDP 2016-20, discussions with the private sector and key line ministries (Ministry of Labor and Social Welfare, , Ministry of Industry and Commerce, Ministry of Planning and Investment) are ongoing to strengthen alignment with needs of the labour market.

Transparency, Predictability and Mutual Accountability

The financing plan of ESSDP 2021-25 will be based on the Ministry of Finance Mid-Term Fiscal Framework and will be annually updated based on the State Budget. The M&E framework of ESSDP 2021-25 will align with the 9th NSEDP M&E framework.

Domestic Resource Mobilization

The current GoL fiscal constraints makes improving the balance between Development Partner and Government co-financing of priority development programmes and projects challenging. Development of ESSDP 2021-25 is being undertaken within this context.

South-South Cooperation, Triangular Cooperation, and Knowledge Sharing

Study visits supported by development partners are increasingly being made to other developing countries, including ASEAN countries. Example include Cambodia, Vietnam, Thailand and Singapore.

2. Support to decentralization initiatives

The sector has maintained a strong focus on decentralisation of key functions in order to enhance the responsiveness of education services to local needs. At school level the sector continues to develop and strengthen its annual School Development Plan (SDP) process, which receives oversight from the Village Education Development Committee (VEDC), and is guided by the school Education Quality Standards (EQS) and emerging Fundamental Quality Standards (FQS) and financed through the School Block Grants (SBG). The management and administrative capacity required to maintain and improve these systems are governed by an emerging national School-Based Management (SBM) system.

Alongside this the sector continues to strengthen its sub-national management systems through its provincial and district Annual Costed Sector Plan budget and planning process, and the recent establishment of District budget norms.

Alongside these systemic reforms, the sector has been prioritising support to its poorest performing areas and has identified 40 priority districts to receive support from government and development partners.

3. Promoting gender equality and women's empowerment and accelerating the adoption and implementation of the National Youth Policy

In reports of MoES and development partners, analysis of progress disaggregated by sex is the norm. Female transition rates are lower than males. Gender Parity in enrolment has been achieved at early childhood and primary level (0.98), and almost achieved at lower secondary (0.96) levels. At lower secondary level, gender parity in the proportion of male and females entering the final grade was attained for the first time in 2018-19, with the GPI reaching 0.98. Further to this gender parity in academic pursuits is well recognised, however during a young person's school career, opportunities for girls to participate in sports and perform at representative level remains a challenge. Participation in sport is an opportunity for a young person learn social and decision-making skills as well as to develop their leadership potential. This is an area of opportunity when exploring ways to promote gender equality and women's empowerment.

The draft national youth policy is one of the key documents to inform the ESSDP 2021-25.

Annex 1:

Table 1: Number of secondary schools

	2012/13	2018/19
Public		
Lower	864	885
Upper	33	32
Complete	519	727
Total	1,416	1,644
Private		
Lower	44	66
Upper	0	0
Complete	34	47
Total	78	113

Source EMIS

Table 2: Participation rates (net attendance ratio) in secondary education

LSIS 2017	Lower secondary		Upper secondary	
	Male	Female	Male	Female
Urban	80.4	85.2	58.3	64
Rural with road	54.7	56.1	30.8	30.4
Rural without road	42.1	40.9	14.1	15.6
Lao-Tai	68.8	73.8	47	50
Mon-Khmer	44.2	44.6	20.4	18.3
Hmong-Mien	59.8	54.4	29.3	27.6
Chinese Tibetan	48	38.5	25.1	31.9

Source: LSIS 2017

Table 3: Secondary school size and pupil teacher ratios

Lower secondary schools				
Size	Number schools	Ave. Enrol	Ave. Teachers	Ave. PTR
<100 students	191	72		8 9:1
>500 students	29	692	34	20:1
Complete secondary schools				
Size	Number schools	Ave. Enrol	Ave. Teachers	Ave. PTR
<200	47	158	13	12.2
200-300	91	255	18	14.2
300-500	226	400	26	15.4
500-1000	258	701	38	18.4
>1000	102	1396	65	21.5
Upper secondary schools				
Size	Number schools	Ave. Enrol	Ave. Teachers	Ave. PTR
<200	3	116	24	4.8
200-300	2	278	22	12.6
300-500	10	301	35	8.6
500-1000	11	646	44	14.7
>1000	6	1281	65	19.7

Source EMIS