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Report No: PAD3966

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED CREDIT

IN THE AMOUNT OF SDR 21.27 MILLION
(US$30 MILLION EQUIVALENT)

AND

GLOBAL PARTNERSHIP FOR EDUCATION GRANT
IN THE AMOUNT OF US$16.9 MILLION

TO THE

GOVERNMENT OF LAO PDR

FOR A

LAO PDR GLOBAL PARTNERSHIP FOR EDUCATION III: LEARNING AND EQUITY ACCELERATION PROJECT

{RVP/CD CLEARANCE DATE}

Education Global Practice
East Asia and Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective October 2, 2020)

| | | |
|---|---|---|
| Currency Unit | = | Lao Kip (LAK) |
| LAK 9,231 | = | US$1 |
| US$1.41 | = | SDR 1 |

FISCAL YEAR
January 1 – December 31

**ABBREVIATIONS AND ACRONYMS**

| | |
|---|---|
| ASLO | Assessment of Student Learning Outcomes |
| BEQUAL | Basic Education Quality and Access in Lao PDR |
| BoL | Bank of Lao PDR |
| CCDG | Child Community Development Group |
| CDS | Childhood Disability Screening |
| DA | Designated Account |
| DECE | Department of Early Childhood Education |
| DESB | District Education and Sports Bureau |
| DFAT | Australia's Department of Foreign Affairs and Trade |
| DGE | Department of General Education |
| DOF | Department of Finance |
| DOI | Department of Inspection |
| DoP | Department of Planning |
| DOP | Department of Organization and Personnel |
| DPs | Donor Partners |
| DTE | Department of Teacher Education |
| ECE | Early Childhood Education |
| ECU | Education Coordination Unit |
| EMIS | Education Management Information System |
| ESF | Environmental and Social Framework |
| ESMF | Environmental and Social Management Framework |
| ESQAC | Education Standards and Quality Assurance Center |
| EU | European Union |
| ESSDP | Education and Sports Sector Development Plan |
| FAM | Financial and Administrative Manual |
| FM | Financial Management |
| FQS | Fundamental Quality Standards |
| GBV | Gender-based Violence |
| GDP | Gross Domestic Product |
| GFIS | Government Financial Information System |
| GoL | Government of Lao PDR |
| GPE | Global Partnership for Education |
| GRS | Grievance Redress System |

| | |
|---|---|
| ICT | Information and Communication Technology |
| IERR | Internal Economic Rate of Return |
| IFEAD | Institute for Education Administration and Development |
| IFMIS | Integrated Financial Management Information System |
| IFR | Interim Financial Report |
| IPF | Investment Project Financing |
| ISA | International Standard on Auditing |
| ISM | Implementation Support Mission |
| IVA | Independent Verification Agency |
| JICA | Japan International Cooperation Agency |
| LAYS | Learning Adjusted Years of Schooling |
| LEAP | Learning and Equity Acceleration Project |
| LESMIS | Lao Education and Sports Management Information System |
| M&E | Monitoring and Evaluation |
| MAT | Multiage Teaching |
| MIS | Management Information System |
| MOES | Ministry of Education and Sports |
| MoF | Ministry of Finance |
| NRE | Natural Resources and Environment |
| NSEDP | National Socio-Economic Development Plan |
| PAF | Performance Appraisal Framework |
| PBC | Performance-based Condition |
| PESS | Provincial Education and Sports Services |
| PIM | Project Implementation Manual |
| PPSD | Project Procurement Strategy for Development |
| RBF | Results-based Financing |
| RIES | Research Institute for Educational Sciences |
| RRP | Reading Readiness Program |
| SABER | Strengthening Education Systems to Achieve Learning for All |
| SBG | School Block Grant |
| SBM | School-based Management |
| SEA | Sexual Exploitation and Abuse |
| SH | Sexual Harassment |
| SOE | Statement of Expenditure |
| STEM | Science, Technology, Engineering, and Mathematics |
| STEP | Systematic Tracking of Exchanges in Procurement |
| TTC | Teacher Training College |
| UNESCO | United Nations Educational, Scientific, and Cultural Organization |
| UNICEF | United Nations Children's Fund |
| VAC | Violence Against Children |
| VEDC | Village Education Development Committee |
| WASH | Water, Sanitation, and Health |

| | |
|---|---|
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DATASHEET

## BASIC INFORMATION

| Country(ies) | Project Name | |
|---|---|---|
| Lao People's Democratic Republic | Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project | |
| Project ID | Financing Instrument | Environmental and Social Risk Classification |
| P173407 | Investment Project Financing | Moderate |

### Financing & Implementation Modalities

| | |
|---|---|
| [ ] Multiphase Programmatic Approach (MPA) | [ ] Contingent Emergency Response Component (CERC) |
| [ ] Series of Projects (SOP) | [ ] Fragile State(s) |
| [✓] Performance-Based Conditions (PBCs) | [ ] Small State(s) |
| [ ] Financial Intermediaries (FI) | [ ] Fragile within a non-fragile Country |
| [ ] Project-Based Guarantee | [ ] Conflict |
| [ ] Deferred Drawdown | [ ] Responding to Natural or Man-made Disaster |
| [ ] Alternate Procurement Arrangements (APA) | [ ] Hands-on Enhanced Implementation Support (HEIS) |

| Expected Approval Date | Expected Closing Date |
|---|---|
| 18-Mar-2021 | 04-May-2026 |

Bank/IFC Collaboration

No

### Proposed Development Objective(s)

To improve learning outcomes in primary grades in target districts and strengthen teacher and system performance in Lao PDR.

## Components

| Component Name | Cost (US$, millions) |
|---|---|
| Prepared and Motivated Teachers | 18.17 |
| Effective Governance for Improving Teaching and Learning | 20.00 |
| Prepared and Motivated Learners | 8.73 |

## Organizations

| | |
|---|---|
| Borrower: | Ministry of Finance |
| Implementing Agency: | Ministry of Education and Sports, Lao PDR |

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

| | |
|---|---|
| **Total Project Cost** | 46.90 |
| **Total Financing** | 46.90 |
| **of which IBRD/IDA** | 30.00 |
| **Financing Gap** | 0.00 |

### DETAILS

**World Bank Group Financing**

| | |
|---|---|
| International Development Association (IDA) | 30.00 |
| IDA Credit | 30.00 |

**Non-World Bank Group Financing**

| | |
|---|---|
| Trust Funds | 16.90 |
| Education for All Supervising Entity | 16.90 |

### IDA Resources (in US$, Millions)

| | Credit Amount | Grant Amount | Guarantee Amount | Total Amount |
|---|---|---|---|---|
| **Lao People's Democratic Republic** | 30.00 | 0.00 | 0.00 | 30.00 |

| | | | | |
|---|---|---|---|---|
| National PBA | 30.00 | 0.00 | 0.00 | 30.00 |
| **Total** | **30.00** | **0.00** | **0.00** | **30.00** |

**Expected Disbursements (in US$, Millions)**

| WB Fiscal Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Annual | 11.85 | 10.52 | 10.73 | 6.25 | 7.55 | 0.00 |
| Cumulative | 11.85 | 22.37 | 33.10 | 39.35 | 46.90 | 46.90 |

## INSTITUTIONAL DATA

**Practice Area (Lead)**

Education

**Contributing Practice Areas**

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

## SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

| Risk Category | Rating |
|---|---|
| 1. Political and Governance | Substantial |
| 2. Macroeconomic | High |
| 3. Sector Strategies and Policies | Low |
| 4. Technical Design of Project or Program | Moderate |
| 5. Institutional Capacity for Implementation and Sustainability | Moderate |
| 6. Fiduciary | Substantial |
| 7. Environment and Social | Moderate |
| 8. Stakeholders | Moderate |
| 9. Other | Substantial |
| 10. Overall | Moderate |

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

### Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

| E & S Standards | Relevance |
|---|---|
| Assessment and Management of Environmental and Social Risks and Impacts | Relevant |
| Stakeholder Engagement and Information Disclosure | Relevant |
| Labor and Working Conditions | Relevant |
| Resource Efficiency and Pollution Prevention and Management | Relevant |
| Community Health and Safety | Relevant |
| Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | Not Currently Relevant |
| Biodiversity Conservation and Sustainable Management of Living Natural Resources | Not Currently Relevant |
| Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | Relevant |
| Cultural Heritage | Not Currently Relevant |
| Financial Intermediaries | Not Currently Relevant |

**NOTE**: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

### Legal Covenants

## Conditions

# I. STRATEGIC CONTEXT

## A. Country Context

1. **The Lao People's Democratic Republic (Lao PDR), one of the fastest growing economies in East Asia and the Pacific, is at a crossroads.** Lao PDR is a lower-middle-income country with a gross domestic product (GDP) per capita of US$2,542 in 2018 and a population of 7.062 million.[1] Economic growth, driven largely by the construction sector, energy and mining, and the service sector, is estimated to decline to 5.2 percent in 2019–2020 from over 7 percent in 2016.[2] COVID-19 is likely to worsen the slowdown, affecting tourism, trade, foreign direct investment, inflation, remittances, and domestic consumption. Even before the pandemic, weak revenue collection had resulted in an elevated fiscal deficit, while debt levels continue to rise. Furthermore, recent estimates suggest that while poverty fell from 23 percent to 18.3 percent between 2013 and 2019, the rate of poverty reduction was slow compared to that of economic growth, indicating that growth had not been as poverty-reducing as expected.[3] While the pace of poverty reduction has been more rapid in rural areas than urban areas, a large gap remains between the two, with the urban poverty rate at 7 percent and the rural poverty rate at nearly 24 percent. Regionally, Vientiane Capital remains the wealthiest, followed by the southern provinces (17.7 percent), northern provinces (20.7 percent), and central provinces (21.5 percent). COVID-19 may increase the number of poor people by 20 percent in the short term.[4] Lao PDR's resource-focused growth has disproportionately benefitted the top of the income distribution. Inequality has been rising, with the Gini coefficient increasing from 36.2 to 38.8 in the same period.

2. **Limited fiscal space, poverty, and inequality have affected human capital investments in Lao PDR, which need urgent attention**. A child born in Lao PDR today can expect to be only 45 percent as productive when he/she turns 18 years as someone who enjoyed complete education and full health.[5] Yet, education expenditure (estimated) as a percentage of public expenditure decreased from 12.46 percent in 2017 to 11.62 percent in 2019; as a percentage of GDP, it decreased from 3.11 percent to 2.59 percent over the same period. In comparison, public expenditure on education is 4.2 percent in neighboring Vietnam and 3.6 percent in Indonesia. Lao PDR's low spending in education is reflected in low education quality and learning, while the average student spends over 10.8 years in school, he/she learns the equivalent of only 6.4 years during that period. In contrast, the learning adjusted years of schooling in neighboring Vietnam is 10.2 years and in Indonesia, 7.9 years. Significantly reduced public spending, combined with inefficiencies in spending, threaten the Government's ability to achieve its human capital objectives. COVID-19 has further depleted the country's already limited tax revenues.

3. **Lao PDR is also susceptible to unpredictable climate change events, which have been happening increasingly and are expected to intensify in the future.** Limited protection in the face of natural calamities impoverishes the already poor families, making it difficult for them to continue investing in their children's education. Seasonal floods, drought, landslides, and forest fires make the rural population

[1] https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=TH-VN-KH-LA-MM.
[2] The slowdown in growth is the combined result of the severe impact of natural disasters on the agricultural sector, lower power generation and mining output, and the tightening of public expenditure. World Bank. 2020. *Lao PDR Quarterly Economic Update*. Draft.
[3] World Bank. Forthcoming. *Lao PDR Poverty Assessment*. Draft.
[4] World Bank. 2020. *Lao PDR. COVID-19 Second Wave of Response: Ideas and Tradeoffs*.
[5]ttps://databank.worldbank.org/data/download/hci/HCI_2pager_LAO.pdf.

vulnerable to recurring incidences of severe natural disasters. Furthermore, in the more mountainous parts of the country, flash floods routinely wash away homes and shelters.

4. **Lao PDR's 9th National Socio-Economic Development Plan (NSEDP) (2021–2025) lays strong emphasis on building skills to capture its demographic dividend.** Currently, with one in two people in the population below the age of 23.5 years and an increased share of the working age population within the population, Lao PDR is undergoing a demographic transition. The potential benefits from such a demographic transition are not automatic and will depend on the right economic, social, health, and education policies. Without strong investments early in education, Lao PDR will risk failing to meet Sustainable Development Goal 4 while jeopardizing its capacity for long-term economic growth.

## B. Sectoral and Institutional Context

5. **The Government of Lao PDR (GoL) has been committed to increasing educational outcomes, supported by an active development partner community, but more needs to happen for it to realize the gains from investing in human capital.** Preschool enrollment rates increased from 39.1 percent (2013–2014) to 61.3 percent (2019–2020).[6] Net primary enrollment was 99 percent according to the 2019–2020 school census, with gender parity. Student learning levels are also low: on average, 42 percent of Grade 3 students have not yet mastered Lao language skills taught in Grades 1 and 2, with approximately 24 percent only starting to read sentences and being able to write single words.[7] In mathematics, nearly 80 percent of Grade 3 students failed to demonstrate skills expected in Grade 3.[8] Table 1 provides a snapshot of Lao PDR's public basic education system.

**Table 1 Snapshot of Lao PDR's Pre-primary[9] and Primary Education System (public)**

| | Total | Female | Male |
|---|---|---|---|
| Number of pre-primary classes | 2,310 | — | — |
| Number of kindergarten classes | 5,657 | — | — |
| Number of pre-primary students | 45,406 | 224,95 | 22,948 |
| Number of kindergarten students | 141,639 | 70,687 | 70,952 |
| Number of ECE teachers (regular, contract/volunteer, pre-primary) | 10,096 | 9,991 | 105 |
| Number of days of pre-primary school | 175 | — | — |
| Number of primary schools | 8,518 | — | — |
| Number of students in primary school (Grade 1/Grade 5) | 704,605 (157,698/128,863) | 340,547 (74,941/62,802) | 364,058 (82,757/66,061) |
| Number of primary teachers (volunteer) | 32,214 (3,369) | 16,632 (1,988) | 15,582 (1,381) |
| Minimum number of days of teacher training | 8 | — | — |
| Number of hours of formal literacy instruction in Grade 1 | 9 hours per week | — | — |
| Number of days of primary instruction | 175 | — | — |

[6] Lao PDR Education Management Information System (EMIS) data.
[7] Lao PDR. 2017. *Assessment of Student Learning Outcomes. Final Report*.
[8] Lao PDR. 2017. *Assessment of Student Learning Outcomes. Final Report*.
[9] Lao PDR has different modalities for delivering early childhood education (ECE), depending on the age group, remoteness of the community, and availability of caregivers/teachers. In the best-served communities, ECE is provided through three-year kindergartens for 3-, 4-, and 5-year-olds, respectively. Where three-year kindergartens are not feasible, schools have a one-year pre-primary classroom for 5-year-olds attached to the primary school. One-year pre-primary classrooms often see multiple age groups attend, as 5-year-olds bring their younger siblings.

*Source:* Annual school census 2019–2020.

6. **Equity concerns remain high, with education inputs and learning outcomes especially low among ethnic communities.** As highlighted in the Midterm Evaluation of the ESSDP (2016–2020)., outcomes are the lowest among children living in rural areas, children from non-Lao-Tai backgrounds, children in the poorest quintile, and children of mothers with no education. The Ministry of Education and Sports (MOES) has identified 40 priority districts where educational outcomes lag the national average (table 2). These districts overlap with five of the convergence districts in Northern Lao PDR—among the poorest districts in Lao PDR—selected by the GoL and the World Bank to provide a holistic set of interventions, across education, health; social protection; water, sanitation, and health (WASH); agriculture; and rural development. The aim of this set of interventions is to reduce stunting and contribute to improve the nutrition of children in Lao PDR. All three components of the proposed project support interventions at the national level alongside more focused interventions in select districts. As shown in table 2, the selection of districts varies by component, but all components include a selection of the Government's priority districts.

**Table 2. Summary Education Indicators for Priority Districts**

| Indicator | 40 Priority Districts | National |
|---|---|---|
| Percent with ECE | 58.0 | 71.0 |
| Grade 1 dropout | 9.4 | 5.5 |
| Grade 1 repeat | 9.2 | 5.9 |

7. **Three factors explain the low learning levels in Lao PDR: unprepared learners, ineffective teachers, and weak system governance.** The first factor pertains to early childhood education (ECE). While MOES provides early childhood opportunities through three-year kindergartens (targeted at 3-, 4-, and 5-year-olds), as well one-year pre-primary classes for 5-year-olds in remote areas without kindergartens, challenges pertaining to access and quality of care remain. Nevertheless, nearly 40 percent under the age of 5—a crucial period for neural development—either have no access to early learning opportunities or rely on sporadic pilot, nongovernmental efforts. Furthermore, while one-year pre-primary classes are meant for 5-year-olds, many bring their younger siblings, overwhelming classes and the student-teacher ratio.

8. **A second challenge pertains to teacher effectiveness and availability.** Approximately 85 percent of teachers report having completed preservice training/vocational degree. Such training is provided by eight teacher training colleges (TTCs).[10] Yet, classrooms across Lao PDR have teachers with little mastery over the subjects they teach and poor teaching skills. A recent study found that only 2.4 percent of Grade 4 teachers were proficient in Grade 4 mathematics and Lao.[11] The problem starts early. School teaching does not attract the top tier of students in Lao PDR, despite good salary scales and benefits. The reasons likely pertain to the (a) uncertainty around teacher hiring given the severely reduced civil service quotas (nearly 10 percent of the primary teacher workforce functions as volunteer teachers, with no pay or benefits); (b) limited intrinsic motivation inherent in a job with few high-quality professional development opportunities or career progression structures; and (c) consequent waning professional prestige of the job. Next, preservice curricula at the TTCs neither remediate teacher-candidates' own learning

[10] The eight TTCs are located in eight provinces. The remaining nine provinces are served by nine teacher training centers, which are not authorized to offer degrees.
[11] Demas et al. 2018.

weaknesses nor provide adequate practical training. As a result, teachers come to the classroom neither prepared in content to teach foundational skills, such as reading and mathematics, nor with the skills needed for daily classroom challenges, such as multi-level teaching, managing students with learning disabilities, and catering to non-Lao speakers. In-service training has been largely funded by development partners and is ad hoc. Both financial and human resource constraints mean that such professional development fails to incorporate good principles, such as continuous support, practice, and being linked to incentives. For instance, the current training in the new curriculum provides all teachers only six days of initial training in language and two days in mathematics. Follow-up coaching is meant to be provided through a system of pedagogic advisers, but their availability and skills are inadequate. Only 25 percent of teachers reported receiving feedback in the last 12 months.[12]

9. **Teacher availability remains problematic, both in terms of overall absence rates as well as actual numbers in remote schools.** Approximately 20 percent of classes in Lao PDR may have an absent teacher on any given day, and those students may not receive any instruction.[13] Absence rates tend to be higher in priority districts, creating equity concerns. Furthermore, teacher deployment remains challenging with nearly 41 percent of schools facing teacher deficits, many in MOES's 40 priority districts. The disparity between deficit and surplus schools in the availability of teachers has amplified the disparity in the learning experience of students, as described in the Midterm Evaluation of the ESSDP (2016–2020). Furthermore, primary schools also rely on nearly 3,718 (unpaid) volunteer teachers (10 percent of the teaching force), which is an unsustainable strategy.

10. **The third challenge pertains to poor school governance.** Lao PDR has made important strides in decentralizing education management and school-based management (SBM), but implementation has suffered because of vague goals, fragmented decision-making, limited vertical and horizontal coordination, and little use of data in decision-making. Many of the ingredients for effective governance are in place in public schools in Lao PDR in both priority and non-priority districts: all schools have village education development committees (VEDCs), nearly 77 percent of schools receive at least one administrative visit a year, with the average being 2.4 for priority districts and 2.9 for non-priority districts. Almost 71 percent of schools report receiving at least one pedagogic adviser visit per year, with more priority schools receiving such visits and 78 percent of schools report conducting school self-assessment. But the different pieces do not add up to a coherent well-governed system. For instance, while schools report high compliance with community involvement through the VEDC structure, there is little evidence that parents can hold schools accountable, with only 25 percent of principals reporting that they take any action based on parents using school results to demand accountability. While all principals report sharing recommendations from supervision visits with teachers, only 13 percent report receiving written reports. Nearly 70 percent of schools report receiving pedagogic adviser visits, but only 38 percent report sharing the final report with the teacher.

11. **The government's forthcoming Education and Sports Sector Development Plan (ESSDP) (2021–2025) is expected to address challenges related to ECE, teacher effectiveness, and school governance in a holistic manner, among others.** Important goals include (a) increased number of graduates from ECE to upper secondary including non-formal education, with improved learning outcomes, particularly literacy and numeracy skills, and other 21st century skills, with special focus on the disadvantaged and gender equity; (b) increased number of knowledgeable and competent teachers and principals meeting the

[12] Demas et al. 2018.
[13] World Bank 2018.

teaching standards that are used to inform their professional development with regular performance assessment; and (c) all schools having the financial and human resources to function effectively and efficiently, alongside strengthened school management capacity to enable improved student learning outcomes.

12. **Ambitious goals must, however, be backed by adequate financing, which has not been true for the education sector in Lao PDR for the past few years.** For the past five years, the education sector in Lao PDR has received far less than the benchmark target of 18 percent of the budget set in the Education Law. Indeed, the education sector's share of the budget has remained between 13.3 percent and 14.2 percent of the state budget (primary expenditure[14]). Large financing gaps in 2016–2019 have resulted in the reduction or postponing of a number of expenditure programs envisaged in the ESSDP (2016–2020), importantly, teacher in-service training and continuous support to teachers, school block grants (SBGs), and WASH activities. The COVID-19 crisis has resulted in significant budget cuts for the education sector. Addressing financing constraints will require political negotiations to ensure that the education sector secures an increased share of the state budget in the context of the NSEDP as well as improving allocative efficiency within the education sector. It will also require careful coordination among development partners and civil society organizations.

### C. Relevance to Higher Level Objectives

13. **The proposed project is closely aligned with the Country Partnership Framework (2017–2021) pillar of investing in people, the World Bank's Human Capital Project, World Bank's corporate target on reducing learning poverty, and the Education Global Practice's Strategy.** By improving access to the quality of early childhood development, the proposed project will invest in the critical period of brain development and give young people a stronger start in life. By supporting teachers to deliver the new curriculum effectively, it will ensure that the years spent in primary school translate to learning. Through investments in strengthening the school system, assessment, and project management, the proposed project will provide a strong environment for students to learn and teachers to teach effectively. Through a well-coordinated set of interventions and alignment to key World Bank strategies, the project will improve the quality of human capital in Lao PDR, thereby helping meet the World Bank's twin goals of reducing poverty and increasing shared prosperity.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

**PDO Statement**

14. To improve learning outcomes in primary grades in target districts and strengthen teacher and system performance in Lao PDR.

[14] Primary expenditure = total budget minus debt service and reserves.

**PDO Level Indicators**

(1) Percentage of 3rd grade students[15] in target districts who can read and comprehend a grade-appropriate paragraph, disaggregated by gender and ethno-linguistic group

(2) Percentage of 3rd grade students[16] in target districts who can undertake grade-appropriate subtraction, disaggregated by gender and ethno-linguistic group

(3) Percentage of children in target districts in primary grade 1 who participated in ECE, disaggregated by gender

(4) Percentage of mathematics and Lao Language grade 1-3 teachers with improved teaching practices as measured by a high inference tool, disaggregated by gender. [17]

(5) Percentage of schools in target districts making school report cards public.

15. The project will also use performance-based conditions (PBCs), financed by the Global Partnership for Education (GPE) grant,[18] as follows:

- PBC 1: Number of districts that are compliant with teacher allocation protocols in the 40 priority districts [equity]
- PBC 2: Improved data quality, management, and utilization for monitoring and planning [efficiency]
- PBC 3: Percentage of teachers that teach the new Grade 1 mathematics and Lao language curriculum effectively [learning outcomes].

## B. Project Components

16. **The project is financed by a mix of World Bank IDA (US$30 million) and GPE grant (US$16.9 million) funding.**[19] The GPE funding comprises a maximum country allocation (US$7.25 million) and multiplier funding (US$9.65 million).[20] The latter has been leveraged based on contributions from the Japan International Cooperation Agency (JICA) (US$17.5 million as grant-in-aid) and the World Bank (US$30 million as IDA loan), whereby every US$3 million raised from the development partners is complemented by US$1 million of GPE funding up to a country maximum. While JICA funding is parallel funding, interventions in the project are closely aligned with JICA's and other development partner programs, predominantly, Australia (Department of Foreign Affairs and Trade [DFAT]), European Union

[15] The Grade 3 Assessment of Student Learning Outcomes (ASLO) conducted in 2017 is being used as there is a baseline, and subsequent rounds are planned.
[16] The Grade 3 ASLO conducted in 2017 is being used as there is a baseline, and subsequent rounds are planned.
[17] The tool will be the product of enhancing the current classroom observation tool to be high inference while ensuring alignment to the teaching standards and international best practice.
[18] The GPE requires that 30 percent of its grant be allocated to results-based financing (variable part). In the current project, this is US$5.25 million.
[19] The cost of supervision activities (US$600,000) is deducted from the GPE grant (US$17.5 million) to reflect only the project financing (US$16.9 million).
[20] These amounts are net of the World Bank's US$600,000 supervision costs.

(EU), and United Nations Children's Fund (UNICEF), to maximize a sectorwide approach with the potential for system transformation.

17. **The theory of change underlying the components is based on the following three hypotheses**:

(a) For schools to produce learning, they need prepared, present, and motivated learners. For students to have these skills they need supportive learning environments before starting Grade 1.

(b) For students to learn, they need teachers to be present, motivated to teach, and with adequate content knowledge and pedagogic skills. For teachers to have these skills, they need to be well-trained, paid adequate and timely salaries, and motivated to perform.

(c) Teachers cannot do it alone. They need strong school systems driven by supportive management to ensure inputs and regular professional development opportunities, parental engagement, and routine professional management.

18. Based on the theory of change, the project proposes the following three components (see Results Chain in section D).

- Component 1: Prepared and Motivated Learners
- Component 2: Prepared and Motivated Teachers
- Component 3: Effective School Governance for Improving Teaching and Learning

19. Components 1 and 3 continue interventions from the World Bank-supported Early Childhood Education Project (P145544) and GPE II (P149130), whereas Component 2 either supports interventions that are new (such as the use of enhanced classroom observation tool) or scales interventions based on lessons learned (such as strengthening TTCs and enhancing teacher professional development to use the new curriculum). Components 2 and 3 use expenditure-based financing and a Result-based Financing (RBF) approach using PBCs, while Component 1 uses only expenditure-based financing.[21]

20. **Target districts.** As explained in tables 3.1 and 3.2 in annex 3, and in the component's description, target districts will vary across the three components based upon specific criteria. The overlap with MOES's 40 priority districts is maximized.

21. **COVID-19 response.** Without effective remedial action, students in Lao PDR are expected to lose around 0.2 learning adjusted years of schooling (LAYS) and up to 8 percent of students between ages 6 and 18 are expected to drop out of school because of the pandemic.[22] To reduce Lao PDR's vulnerabilities from this crisis and help students make up for the lost time, the project will incorporate COVID-19-resilient design features in each component.

[21] Detailed descriptions of Components 1, 2, and 3 are available as background notes.
[22] LAYS is the product of the quantity of schooling for the average person times the average learning during those years. For more details, see Filmer et al. (2018). These projections are based on simulations using the World Bank Simulation tool (Acevedo et al. 2020).

22. **The project uses a multipronged approach to improve learning outcomes in Lao PDR.** The key features of this approach are (a) nationwide focus for specific interventions, such as guidelines and mandatory teacher training, coupled with an intensive approach to support these national interventions in select poorly performing districts; (b) interventions at the central, meso (provincial and district), and school levels; (c) phased approach to implementation, where interventions pertaining to capacity development and system strengthening precede interventions focused on teacher performance management; (d) coordination with other development partners; (e) building of sustainability into interventions; (f) safe and attractive learning environments to minimize dropout rates (partially ensuring out-of-school children do not increase); and (e) use of technology.

23. **The project will not use GPE funds to support for-profit provision or not-for-profit non-state provision of core education services.** As discussed in the section on sustainability, the project will pilot mechanisms to sustain Community Child Development Group (CCDG) caregiver salaries through community contributions (Component 1 will be funded entirely by IDA).

**Component 1: Prepared and Motivated Learners (Total estimated cost: IDA US$8.73 million equivalent)**

24. **The objective of the component is to provide early learning opportunities for young learners ages 3–5 years to be prepared and motivated for entering Grade 1.** As mentioned previously, Lao PDR has different modalities for delivering ECE, depending on the age group, remoteness of the community, and availability of caregivers/teachers (footnote 9). To address the challenges of providing age-appropriate interventions, the World Bank-financed ECE project piloted CCDGs in one set of villages with pre-primary classrooms, which cater to 3- and 4-year-olds, and multiage teaching (MAT) in another set of classrooms to help teachers manage children ages 3–5 years. GPE II financed the Reading Readiness Program (RRP) for 5-year-olds in select pre-primary schools. The Learning and Equity Acceleration Project (LEAP) will further expand these promising interventions.

25. **Preliminary results from the impact evaluation showed that the CCDG and MAT interventions are improving attendance and child outcomes.** Preliminary results show that both the CCDG and MAT modalities have had a strong impact on ECE attendance for 3–4-year-olds. The impact on child development outcomes are positive but slight. When compared against each other, the CCDG has a greater positive impact on both attendance and child development than the MAT modality. Another finding of relevance is that the strong positive results found at midline have moderated somewhat at end line. This finding may reflect the central inputs (in terms of training, monitoring, and provision of resources). As a result, even though the CCDG is a more costly intervention, the project will provide support to both models. At midterm review, the final results from the impact evaluation as well as additional results collected through the implementation of the new project will be assessed to inform the best way forward.

26. **Geographic coverage.** The component will support nationwide interventions focusing on curriculum revision in ECE and focused interventions in select districts. It will provide ECE interventions in approximately 1,339 villages in 71 districts. The interventions under this component will (a) build upon interventions undertaken in project sites under the World Bank-supported ECE project and GPE II's RRP and (b) extend interventions to new sites, maximizing the overlap between the GoL's convergence districts and MOES's priority districts. The overlap will maximize synergies with other interventions targeted at young children, such as nutrition and WASH, thereby minimizing project cost on such interventions.

*Subcomponent 1.1: Child Community Development Groups (CCDG)*

27. **This subcomponent will provide an informal, play-based learning environment for children ages 3–4 years in premises of primary schools with pre-primary classrooms.** By providing ECE to children in the 3–4-year age group, the intervention achieves two goals: (a) reaches children who would not otherwise receive ECE and (b) allows 5-year-olds in pre-primary classes to get focused attention. LEAP will support the operation of 245 CCDGs (245 villages), including 73 existing locations and 172 new locations. Each CCDG will be operated by two trained caregivers five days a week for 12 months. Implementation of the CCDGs will include (a) provision of CCDG grants (for construction/repair of the CCDG shelters, annual operational grants, and subsistence for caregivers); (b) provision of training for caregivers; (c) provision of training for Provincial Education and Sports Services (PESS), District Education and Sports Bureau (DESB), school principals, and VEDCs; (d) provision of CCDG tool kits, including teaching and learning materials and age-appropriate toys and books; and (e) monitoring and support mechanisms.

28. To enhance the long-term sustainability of the program, the project will introduce progressive reductions on financing remunerations for caregivers. The reduced amount will be compensated differently in different villages. Among the different modalities to reduce the dependence on project financing, the following three seem to be the most promising: (a) converting CCDGs to kindergartens, (b) continuing CCDG operation by community themselves, and (c) using surplus pre-primary teachers to be CCDG caregivers.

Subcomponent *1.2: Multiage Teaching (MAT)*

29. **This subcomponent will support the continuation of MAT in pre-primary classrooms in the 62 existing locations and 200 new locations[23].** One-year pre-primary classes are targeted at 5-year-olds in areas where three-year kindergartens do not exist. The MAT program provides MAT techniques through in-service and preservice training to pre-primary class teachers to handle children ages 3–5 years in one class. LEAP will support the continuation of the MAT program in the existing nine districts through in-service refresher training and need-based technical support to MAT teachers and expand to additional 200 locations in 13 districts where pre-primary classrooms have been constructed and pre-primary class teachers trained under the World Bank-supported ECE project. For long-term sustainability, LEAP will also support preservice training on MAT in eight TTCs throughout the country. The program will finance (a) provision of technical assistance for the revision of a MAT module, taking into account feedback from MAT teachers on the actual implementation under the ECE project; (b) in-service MAT training to teachers who will deliver the program in the target areas; (c) MAT training to PESS, DESB, school principals, and VEDCs who will support the program implementation; (d) provision of technical assistance for development of preservice MAT teacher training modules, (e) preservice MAT teacher training in eight TTCs; (f) provision of MAT toolkits; and (g) monitoring and support mechanisms.

*Subcomponent 1.3: Development of Play-Based Content and Activities for 3-and 4-Year-Olds*

30. **While the CCDG caregivers and MAT teachers have received training and teaching materials in the CCDG and MAT toolkits, many have expressed interest in more play-based content and activities for the CCDG and MAT programs.** The project will finance (a) technical assistance to support the development

[23] These 200 new locations (or 200 schools) have 250 pre-primary classrooms because some schools have more than one pre-primary class.

of play-based content and activities for children ages 3–4 years and (b) provision of training to the CCDG caregivers and MAT teachers on the use of new play-based contents and activities for 3- and 4-year-olds.

*Subcomponent 1.4: Reading Readiness Program (RRP)*

31. **The project will support MOES in revamping the pedagogical approach for teaching and learning of early reading skills for 5-year-old children, which will be delivered to 5-year-olds in pre-primary and kindergarten classrooms.** This subcomponent will build upon the reading readiness intervention piloted under GPE II and will support 823 pre-primary classrooms, covering existing pre-primary classrooms using RRP in 33 districts and new ones in the 28 districts. The intervention consists of 32 weeks of soft-scripted instruction and eight storybooks targeting five domains of early literacy: vocabulary, print knowledge, phonological awareness, narrative production and comprehension, and emergent writing, each of which are key to children's success in learning to read. Based on the lessons learned from GPE II, the main activities will include (a) provision of technical assistance for revision of the pedagogical approach and instructional materials for teachers and students and simple classroom-based assessments of early reading skills; (b) teacher training on content, the revised pedagogical approach, and monitoring strategies to track pupils progress and changes in their teaching practice; (c) capacity building for principals, pedagogical advisers, DESB, and PESS to undertake monitoring and provide coaching support; (d) teacher monitoring and support through regular visits from pedagogic advisers, refresher trainings, and assistance from principals; (e) support to school clusters for teachers, principals, and pedagogical advisers to lead groups and consultations once every month; and (f) impact evaluation to measure overall impact on reading outcomes, changes in classroom, and teacher effectiveness through TEACH ECE[24].

*Subcomponent 1.5: Childhood Disability Screening (CDS)*

32. **The project will support childhood disability screening.** Disability and untreated health conditions may prevent children from accessing education and participating in learning. Disability screening will provide an opportunity for children in rural areas to be seen by doctors and receive or be referred for treatment before they develop more serious disabilities and health conditions. Under the ongoing ECE project and close collaboration between MOES and Ministry of Health, CDS for children ages 3–5 years was piloted in six villages in La District of Oudomxay Province. LEAP will support the expansion of CDS in selected 250 villages in the areas where the CCDG, MAT, and RRP will be implemented. CDS includes key steps: (a) mapping of disability and rehabilitation services; (b) screening, which include pre-screening and medical screening; and (c) referral of children diagnosed with impairment/disability or untreated health conditions using the existing government's health service schemes and/or aids from other organizations.

33. **Supervision strategy.** Several interventions under Component 1 will be implemented in a significant number of districts and villages throughout the country, therefore ensuring an effective supervision strategy is critical. LEAP will strengthen the role of local stakeholders, particularly DESBs, who are closest to the actual implementation to be able to monitor implementation and provide necessary support on a regular basis as well as based on specific needs through various training programs. Support from the provincial and central levels will still be critical but less frequent. Technology-based, innovative monitoring and supervision modalities will be used when appropriate.

[24] *TEACH ECE* is a classroom observation tool to measure quality of teaching practices.

34. **Component 1 COVID-19 response.** To help students read and learn at home, the project will provide books for households in hard-to-reach parts of selected districts and support material for parents to read or help students read. Caregivers from the CCDG program will train parents in the community on techniques they could use to make this activity part of their daily routine. They will also act as a support mechanism for parents who struggle with reading. This activity will be coordinated with the Read@Home Team from the World Bank and with UNICEF, grant agent for the GPE response to COVID-19 project. Through UNICEF, this activity may also be implemented as part of the short-term response to COVID-19 in locations not covered by LEAP.

35. **To ensure resilience to disasters, the project will mitigate risks through disaster preparedness, such as providing training packages for emergency response to caregivers and teachers, safe school operation, and adequate WASH facilities.** To reduce climate change vulnerabilities from increased flood risk in particular, the project intends to incorporate climate-resilient design measures in the ECE learning facilities such as drainage improvement for shelters and schools for flood control, rainwater harvesting and recycling in water-scarce areas, and tree plantation to protect the school areas from erosion and landslides, and so on. In addition, it will train caregivers and teachers on emergency response and knowledge on conservation and efficiencies of natural resources and environment (NRE).

**Component 2: Prepared and Motivated Teachers (Total estimated cost[25]: US$18.17 million equivalent: IDA [US$2.52 million equivalent], ESPIG Fixed Part [US$11.65 million], ESPIG Variable Part [US$4.0 million])**

36. **The objectives of this component are to (a) prepare and support teachers to perform better in class and (b) improve teacher management.** Interventions under the first objective will support teachers in implementing the new primary school curriculum (Grades 1–3) developed by MOES in collaboration with Australia (Basic Education Quality and Access in Lao PDR [BEQUAL]) and JICA. Under the second objective, interventions will support teacher allocation-related work initiated by the EU and due to close approximately when LEAP becomes effective. The second objective will also support building teacher intrinsic motivation.

37. **Geographic scope.** Regarding teacher preparation and support, guidelines and mandatory initial and refresher trainings on the new curriculum will be nationwide and will focus on Grades 1–3. More in-depth support will be provided to teachers in MOES's 40 priority districts. Subcomponent 2.2 activities will include both nationwide activities (such as guidelines) and activities for the 40 priority districts (such as media campaigns to build teacher prestige).

*Subcomponent 2.1. Improving the quality of teacher professional development*

38. **The project will improve teachers' subject content knowledge and pedagogical practices through three main actions:**

(a) **Establishing a teacher performance appraisal system.** Key activities include (i) developing national teacher standards for pre-primary teachers to complement the existing standards

[25] This amount is net of the World Bank's US$600,000 supervision costs.

for primary teachers, (ii) developing tools to assess whether teachers are meeting the new standards, and (iii) piloting the new system in the 40 priority districts.

(b) **Strengthening eight TTCs as professional development centers.** Key activities include (i) creating standards for TTC lecturers; (ii) training current TTC lecturers; (iii) building the capacity of pedagogical advisers, teacher trainers, and other relevant staff to enable them to provide more effective training and support to teachers (national level); (iv) providing support to DESB and cluster schools in selected districts to deliver continuous professional development; and (v) identifying professional development needs of teachers and developing approaches for training and support in MOES's 40 priority districts. Activity (i)-(iii) are linked to JICA's "Project for Improving Teacher Training Colleges" which will upgrade the infrastructure.

(c) **Building teacher capacity to teach.** Key activities include (i) training on the new curriculum, including the appropriate use of existing structured teacher guides, for Grade 1 to Grade 3 teachers in Lao language and mathematics (national); (ii) developing a system to monitor the effective implementation of the curriculum; and (iii) establishing ongoing cluster and school-based professional development systems so that pedagogical advisers, principals, and peers can observe and provide feedback to teachers on the use of teacher guides and specific pedagogical practices in the classroom (40 priority districts). Activities (i) and (ii) are linked to the learning outcomes PBC 3 (percentage of teachers that teach the new Grade 1 mathematics and Lao language curriculum effectively) and to the actions to support ethnic teachers. Activities (ii) and (iii) are linked to the actions toward reducing gender gaps. The project will support the development and implementation of an ongoing data information system to measure gender bias in the classroom. These data will be then used by principals and pedagogical advisers to help teachers identify their own biases and provide ongoing coaching support and strategies to address those biases and challenge gender stereotypes in the classroom (see gender and inclusion). Activity (iii) is also linked to the COVID-19 response, where digital platforms will be developed to complement capacity building for teachers, pedagogic advisers, and school principals as part of the GPE COVID-19 response grant managed by UNICEF.

*Subcomponent 2.2. Improving Teacher Management*

39. **The ESSDP (2021–2025) emphasizes the need for efficient redeployment of teachers as a key strategy to improve equity across schools.** The new Annual Teacher Requirement Planning Guideline was developed and approved by Ministerial Decree no. 8986/MOES on November 30, 2018, to improve the efficiency of teacher deployment and allocation. This guideline seeks to address teacher deficits by providing clear guidance on the number of teachers that schools must have based on the number of students. The guideline also outlines a clear process for identifying teacher needs, compiling these needs at the district level, and forwarding it to the provincial level, which after review, is forwarded to MOES. To facilitate more efficient deployment, LEAP, under PBC 1 (number of districts that are compliant with teacher allocation protocols), will pilot solutions in MOES's 40 priority districts in the following manner:

(a) **A cluster-based plan for rotating teachers every three years.** For the pilot, teachers who have already completed three years at a school will be eligible for redeployment to another part of a cluster of schools for a subsequent assignment of three years. Clusters are being

established only in the 40 priority districts. A transparent system for teacher rotation will be designed, based on consultation with MOES, DESB, principals, and teachers.

(b) **District-level incentive plan for compliance with teacher allocation protocols.**[26] The project will finance the development of an incentive plan to reduce teacher shortages, with the target of having a sufficient number of teachers for the students enrolled in at least half of the schools within a district. Select districts in the pilot that show the greatest progress toward this target will be eligible for a top-up of district funds to be used for improved technological facilities and better training. This is linked to the equity PBC (districts compliant with teacher allocation protocols).

40. **LEAP will also build teacher intrinsic motivation.** The project will build intrinsic motivation by using fundamental quality standards (FQS) (see Component 3) to identify and recognize (all) teachers in well-performing schools in the selected districts. Well-performing schools will be recognized through media coverage and mass media campaigns to recognize the importance of teachers.

41. **COVID-19 Response under Component 2.** As part of Subcomponent 2.1, the project will equip teachers with the core skills to assess and provide remedial education to students (activity 2). Once schools reopen completely, teachers will need to identify what key content—especially foundational content—students have either not received or not mastered adequately. For this, teachers will need support in assessing students accurately, without generating stress; recording testing information; and using it to help students progress. Teachers will need training support to identify at-risk students based on assessments, mitigate factors that might encourage student exit, and bring them to grade level. On the COVID-19 response, the project will collaborate with the work that UNICEF is leading in close coordination with other development partners, to support MOES with the development of a teaching and learning platform. The support provided by UNICEF's 'Learning Passport' initiative—which consists of a partnership between UNICEF, Microsoft, and Cambridge University—will allow for the speedy development of the initial platform (within a period of about three weeks); thereby enhancing MOES's COVID-19 response in education by making the preschool and primary curriculum available online, as well as other teaching and learning resources available online for students, parents, teachers, principals, and pedagogical advisers.

42. **To build emergency preparedness in TTCs and schools, the project will provide emergency training package to caregivers, teachers, principals, pedagogical advisers, PESS and DEBS, and relevant personnel to prepare and carry out evacuation protocols to handle natural disaster emergencies such as flash floods, cyclones, and forest fires.** In addition, the project intends to integrate content knowledge on climate change, natural disasters, and environment in the training module for teachers to raise awareness and strengthen their resilience capacity to environmental degradation.

[26] Five-year targets were developed as follows: number of districts with a parity index of primary teacher allocation ($R^2$) > 0.8, in line with United Nations Educational, Scientific, and Cultural Organization (UNESCO) and GPE results framework. The baseline for 2018 was 44 districts (out of a total of 148), and the target included in the ESDP midterm review report (annex 2b) is 60 in 2020. Considering that the ESDP midterm review only covers up to 2020, MOES presented the agreed targets for 2021 to 2023 separately during the Budget Support Steering Committee of December 2018: 70 districts in 2021, 80 districts in 2022, and 100 districts in 2023.

**Component 3: Effective Governance for Improving Teaching and Learning (Total estimated cost: US$20 million equivalent: IDA [US$18.75 million equivalent], ESPIG Variable Part [US$1.25 million])**

43. **The objectives of this component are to (a) strengthen school governance to facilitate better teaching and learning in pre-primary and primary schools in select districts, complementing interventions funded under Components 1 and 2 and (b) ensure better education decision-making nationwide through more and better use of data.** Effective school governance is key to ensuring the overall achievement of project outcomes, proper implementation of project activities, and longer-term sustainability of interventions. The activities proposed in this component build on the MOES-UNICEF-World Bank framework on effective school governance: (a) assess schools, teachers, and student learning to identify those who are performing well and those needing additional support; (b) act to make schools work for all learners; and (c) align actors and policies to make the whole system work for learning.[27]

44. **Geographic scope.** This component will support interventions focusing on the 80 most disadvantaged districts identified by MOES, which will include SBGs, SBM guidelines, school self-assessment and development planning and implementation guidelines and data systems and focused interventions including training personnel in SBM-related activities. To ensure that schools receive effective support and the SBM scheme is sustainable, continuous DESB capacity development such as follow-up training and coaching will be provided.

*Subcomponent 3.1. Effective School Governance*

45. **This subcomponent will build on the ongoing SBM program under GPE II, continuing support for the Government's SBG program and strengthening links between governance at the central, provincial, district, cluster, and school levels, as well as better teaching and student learning in classrooms.** Key elements of the SBM framework in Lao PDR include ensuring that schools meet FQS,[28] regular classroom-based student assessment,[29] school-based teacher professional development, strong school leadership, school autonomy, and accountability. To achieve this, the project will simultaneously build capacity at the central level to refine the legislative framework for SBM and at the provincial, district, cluster, and school levels to strengthen implementation of the SBM framework. Specifically, it will finance the following:

(a) **Strengthening the SBM framework and monitoring system.** This activity, which will be nationwide, will support (i) refinement of the current SBM framework and associated training material; (ii) training of the national SBM team[30] on the revised framework,

[27] Effective School Governance for Improving Teaching and Learning in Pre-primary and Primary schools in Lao PDR: GPE III and UNICEF Support to Lao PDR. Concept Note. Available on request.

[28] FQS pertain to three sets of standards, which are reported by the school and assessed by the Education Standards and Quality Assurance Center (ESQAC). MOES FQS are at the heart of school self-assessment and development planning and up to recently have consisted of two parts: (a) FQS Part 1 captures the essential resources for which the Government is responsible and as such are excluded from the school self-assessment process and (b) FQS Part 2 consists of 26 indicators (that is, standards) that relate to three themes: 'Teaching, Learning, and Student Welfare'; 'Management and Administration'; and 'Community Participation'. These standards are to be used as part of the school self-assessment process to identify strengths and priorities for development that are to be included in the School Development Plan. FQS Part 3 is currently being designed to evaluate student learning outcomes.

[29] FQS Part 3 will include student assessment data for Grades 1 to 5 from (a) standardized end of semester tests and (b) standardized end-of-year tests.

[30] This activity will be coordinated by the Institute for Education Administration Development (IFEAD) and will include a cross-departmental team formed by relevant departments of MOES and provincial focal points.

including training on school-level assessments, school development plan, Lao Education and Sports Management Information System (LESMIS) data collection, FQS pilot[31] for pre-primary and primary levels, and improvements in the existing financial monitoring and reporting system at the school level; (iii) SBG allocation in targeted districts; and (iv) improvement of data use to monitor learning and take remedial action whether at the central, provincial, district, or school levels. The formative assessments, namely classroom assessment, school self-assessment using FQS, and teacher practices and professional development needs assessment, will provide essential data for improving teaching and learning, contributing to an effective school governance.[32]

With the Government facing increasing fiscal constraints due to the recent natural disaster and the COVID-19 pandemic, resulting in reduction of the SBG amount, schools are receiving limited operational funds. The SBG allocation under GPE III will help alleviate the immediate financial pressure in the targeted districts. The SBG will follow an allocation formula to better target districts based on the needs. The allocation will be provided in one tranche annually over five years of the project. An evaluation on the impact of the SBGs will be conducted before project midterm to evaluate to what degree the SBGs are reaching schools and how they help improve teaching and learning. The evaluation will inform how the SBGs can be improved after midterm review.

Specifically, the SBG allocation will target 60 districts, selected from the MOES list of 80 most vulnerable districts. In Year 1 and Year 2 of the project, GPE III funds (IDA credit) will be allocated to (a) 40 priority districts identified by MOES and (b) 20 districts randomly chosen from the remaining 40 districts in the list. The 40 priority districts will receive LAK 100,000 per student per year from GPE III. The 20 districts will receive LAK 50,000 per student per year from GPE III and an additional LAK 50,000 per student per year from the Government, thus bringing the total to LAK 100,000 per student. The remaining 20 districts will receive LAK 50,000 from the Government. In Years 3 to 5, GPE III will continue to finance the 40 priority districts with the reduced amount of LAK 60,000 per student. The details of the SBG targeting and allocation are as described in table 3.

**Table 3. SBG Targeting and Allocation under GPE III**

| Districts | SBG Amount<br>Years 1–2 | SBG Amount<br>Years 3–5 |
|---|---|---|
| **40 priority districts (1–40 from the MOES list of vulnerable districts)** | GPE III: LAK 100,000/pupil | GPE III: LAK 60,000/pupil<br>PLUS<br>Potential top-up from GoL |
| **20 randomly selected districts (41–80 from the MOES list of vulnerable districts)** | GPE III: LAK 50,000/pupil<br>PLUS<br>GoL: LAK 50,000/pupil | GoL SBG program (to be determined) |
| **20 districts that are not randomly selected (41–80 from the MOES list of vulnerable districts)** | GoL: LAK 50,000/pupil | GoL SBG program (to be determined) |
| **All other districts (68)** | GoL: LAK 50,000/pupil | GoL SBG program (to be determined) |

[31] Effective implementation of FQS will support identification of priority by primary schools, ECE providers, communities, and DESBs.
[32] Background note on the SBM concept available upon request.

The SBG Instruction 2016[33] will be revised and updated to be in line with the SBG targeting and conditions under GPE III and with the SBG Guideline endorsed by MOES in 2015. To ensure consistency, an integrated guideline will be the only SBG instruction used by MOES.

(b) **Strengthening SBM implementation.** This activity, which will focus on the 80 disadvantaged districts, will support the following:

(i) Training of provincial and district education departments on the principles of the SBM framework, including how to develop effective school development plans, use LESMIS data, monitor and evaluate progress toward the accomplishment of the goals in the school development plans, and prepare financial reports. [34] The training is part of a broader set of interventions to help school leaders provide instructional support to teachers. The IFEAD/districts will be responsible for training local authorities and assisting them in the training for school principals and VEDCs.

(ii) Operational costs for DESB and PESS to cover travel and subsistence expenses to ensure appropriate coaching, mentoring, and monitoring of schools and promote collaborative practice within and between cluster schools. In particular, the assessment data on schools, teachers (under Component 2), and student learning will identify strengths and areas requiring further improvement. DESB will use these data and information to strengthen the cluster system, mobilizing high performing schools to collaborate with schools in need.

46. The SBM training modules will be updated to include contents such as the recently developed FQS, classroom assessments, and cluster schools' pedagogical support system. The SBM training modality will also be revised to reinforce local capacity and their participation as well as to build school capacity to assess classroom and teaching practices to improve student learning. The participants of the SBM training will be better targeted, to include those who are more likely to stay on and continue supporting SBM implementation to ensure sustainability. At the district level, not only technical staff but also administrators or heads of DESBs will be included in the training to strengthen the understanding of DESB roles in supporting schools. To foster financial management (FM) capacity at the school level, an additional training budget will be allocated for FM training on bookkeeping and reporting to schools.

47. The SBM training will be provided to DESB/PESS, VEDCs, and schools in the 80 most vulnerable districts identified by MOES, of which 60 will receive SBGs, as part of the support package. The duration of the SBM training will be five days to ensure sufficient time for participants to understand the materials and gain experience in the practical aspects of the training. All school principals in target districts will participate in all five days of the training, while VEDCs will participate from day 3 to day 5. A hands-on practice on preparing school development plans will be conducted using data from the previous year. The

[33] Instructions for the Management and Use of School Block Grants for Public Pre-primary and Primary Schools Participating in the Second Global Partnership for Education Project (GPE II), Ministry of Education and Sports 2016.
[34] Data from school self-evaluation (against FQS) and development plans will inform district-level planning and targeting of those schools in most need. The (information and communication technology [ICT] enabled) school development plan will include FQS that schools will work on and costs, coded against MOES school grant accounting codes, which allow for system-level monitoring of expenditures (for example, on what standards resources are spent).

training will aim to enhance support to DESBs, schools, and communities to strengthen local SBM implementation.

48. Given the district's important role in sustainability, follow-on coaching and mentoring will be provided to DESBs to ensure their effective support to schools. The teams of trainers, including central-level trainers and DESB staff, will be formed to conduct follow-up coaching and training to schools. The coaching visits will be prioritized for the schools that need additional support, based on the results of the initial SBM training. In addition, the subcomponent will support operational costs and district grants for DESB and PESS to ensure appropriate coaching, mentoring, monitoring of schools, and strengthening FM at the school level; promote collaborative practice within and between cluster schools; and encourage principals and community participation. Central-level support will also be provided for the development of a sustainable school-/cluster-based pedagogical advisory support system; better data quality, management, and utilization of data at all levels of the system; and creation of an enabling policy environment.

*Subcomponent 3.2: Project Management and Monitoring and Evaluation*

49. This subcomponent will cover project management, including coordination and management of project activities on planning and execution, FM, procurement, supervision and reporting, internal and external audits, third-party verification for PBCs, environmental and social safeguards management, and monitoring and evaluation (M&E). It will also support institutional capacity development activities to the Education Coordination Unit (ECU) under the Department of Planning (DoP), MOES, and participating MOES departments to effectively carry out activities under LEAP.

50. **To achieve these objectives, the project will finance the following:**

(a) **Capacity building.** The project will finance operating costs, project-management-related training, and technical assistance (both local and international) to ensure that staff is properly trained to manage the project. To ensure that resources are used effectively, the budget for this component has taken into account investments already made under the GPE II and ECE projects in staff development.

(b) **Management and operation costs.** The project will also support the management and administration of project activities including (i) logistics and operational costs in terms of appropriate physical office space and transportation to ensure its effective role; (ii) annual planning and execution (including review of school and district documentation); (ii) FM (fund replenishment, disbursement of grants and advances, project accounting including prompt retirement of advances and FM report submission, and responding to audit queries); (iii) procurement of consultancy services, equipment, and materials; (iv) management of periodic audit reviews; (v) M&E with a focus on monitoring school effectiveness and meeting core FQS; and (vi) appointment of an independent entity (a firm or institution) with strong educational expertise and country system understanding to undertake performance audits and confirm PBCs achievements under the variable part. The independent verification agency (IVA) report will provide external validation for key performance data and implementation activities and provide independent confirmation of results reported by MOES. MOES will select an IVA within six months of project effectiveness.

(c) **Strengthening the monitoring framework and data use.** The project will collaborate with the EU and UNICEF to make MOES's LESMIS operational; provide technical assistance for M&E; provide M&E training/workshops at the central, provincial, and district levels; and improve the M&E five-year plan and related activities to conduct regular subsector reviews. The project will also strengthen the use of data for policy making by providing capacity-building and routine support to key departments on the use of the framework and monitoring tools and promote opportunity for closer collaboration among the concerned departments on LESMIS development and implementation. This activity is linked to the efficiency PBC (improved data quality, management, and utilization for monitoring and planning).

51. **Component 3 COVID-19 response.** To ensure that teachers can successfully assess students and use this information to help students learn, strong school leadership will be essential. The project will strengthen teachers' digital literacy skills to support digital learning, remote learning, and provision of remedial support to poor performing students. The SBG allocation will also be provided for hygiene and cleaning kits with clear guidance stipulated in the SBG guidelines.

52. **To ensure that the project minimizes its negative impact on local community and environment, the SBG that will be used toward physical infrastructure works such as shelters or school facilities renovation, will require eco-friendly materials and designs.** The environmental impacts during physical renovation of civil works will be mitigated through implementation of appropriate Environmental and Social Framework (ESF) instruments including safety measures. Resource efficiency and pollution prevention and management measures will be developed and implemented to ensure that water and electricity usage and plastic and solid waste management are well considered during school operation.

**Gender and Inclusion**

53. **Analysis.** Gender gaps in key education indicators, such as enrollment and learning outcomes, are small. There are, however, more subtle disadvantages related to gender differences in opportunities provided to boys and girls in the classroom, which tend to accumulate over time. The Strengthening Education Systems to Achieve Learning for All (SABER) (2017) report shows that teachers provide less opportunities for girls to participate in the classroom and may even depict gender biases through unintentional and nonverbal actions or by assigning classroom chores along gender lines. A growing body of evidence suggests that stereotypes and biases in education materials, among teachers, and among parents are overarching drivers of why women do not pursue studies in science, technology, engineering, and mathematics (STEM). Among girls, these biases result in lower self-confidence regarding their ability in science and mathematics and lower interest and aspirations toward STEM.

54. **Actions.** The analysis identified two challenges: gender biases in the classroom, leading to low self-confidence and potentially affecting student learning, and low levels of advocacy for gender equality. To reduce gender biases and actively challenge stereotypes in the classroom, Component 2 of the project will support the development and implementation of an ongoing data information system, using direct observation in the classroom to quantify the extent of the problem and monitor progress. Furthermore, this new government information system will be used by principals, pedagogical advisers, and instructional support staff to tailor the support they provide teachers. They will use this information to help teachers identify their own biases and provide ongoing coaching support and strategies to address those biases and challenge gender stereotypes in the classroom. To address the low levels of advocacy for

gender equality, the project will encourage the inclusion of women in all components in the following ways:

(a) Promoting gender equity in monitoring and capacity development at all levels

(b) Conducting village awareness raising campaigns to encourage understanding of gender equality. The campaign will be conducted by inviting village authorities and parents to the CCDGs twice a year. The CCDG teachers will be trained to act as facilitators.

(c) Ensuring representation of the inclusive education center in the SBM support team

(d) Including a discussion on gender-based violence (GBV) and violence against children (VAC) in the safeguards-related training modules

(e) Conducting a gender analysis in the beneficiary assessment.

55. **Monitoring.** To monitor progress toward reducing gender biases and challenge gender stereotypes in the classroom, the project will support the Government to develop and integrate data on these measures to existing school information systems, to assess the extent of this problem in early grades. Principals, pedagogical advisers, or other relevant staff will use the new tool to measure whether the teacher ranks low, medium, or high on the quality spectrum based on the evidence collected during the observation. Low means that the teacher exhibits gender bias or reinforces gender stereotypes in the classroom. The teacher could exhibit such bias by providing students with unequal opportunities to participate in classroom activities or by expressing unequal expectations for students' behavior or capabilities. Medium indicates that the teacher does not exhibit gender bias but does not challenge gender stereotypes either. The teacher provides children of all genders with equal opportunities to participate in the classroom and has similar expectations for all students. Finally, high means that the teacher does not exhibit gender bias and challenges gender stereotypes in the classroom. For example, the teacher assigns cleaning tasks to children of all genders and calls equally on all genders to answer difficult questions. In addition, the teacher uses examples and explanations that portray females in male dominated roles such as scientists, doctors, and astronauts. While the tool has not yet been applied in Lao PDR, and as a result there is no baseline, data from the SABER 2017 report show that there are significant differences on how teachers assigned roles and call on boys and girls. The World Bank team is already working with the Government to introduce the tool in the system and the project will monitor the percentage of teachers showing improvement in rejecting gender bias and challenging gender stereotypes in the classroom during the life of the project.

**GBV, Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH), and VAC**

56. **Analysis.** Addressing GBV is a priority for the GoL, as indicated in the National Action Plan on Prevention and Elimination of Violence Against Women and Violence Against Children in Lao PDR 2014–2020.[35] The Lao PDR Social Indicator Survey (LSIS II) reveals that 69 percent of children ages 1–14 experienced some form of violent discipline during the last month. Further supporting these reported high

[35] Government of Lao PDR 2016.

levels of corporal punishment, 25.4 percent of Lao PDR mothers or caretakers of children ages 1–14 believe that physical punishment is a necessary component of parenting.

57. **Actions.** LEAP will support specific actions to reduce corporal punishment. In particular, the project will support the training of caregivers/teachers in the CCDG intervention under Component 1 on child protection and good practices on classroom management. The training on child protection will include the establishment of case management mechanisms to (a) record, (b) address/refer cases, and (c) and make links to village institutions to ensure reporting to district authorities. The training on classroom management will include teaching strategies on setting clear behavioral expectations for students and redirecting student misbehavior, focusing on the expected behavior for students to follow. After receiving training, teachers will act as facilitators to share good practices with communities.[36]

58. **Ethnic teachers.** Teachers who do not speak Lao-Tai confidently have been struggling to teach non-Lao-Tai speaking students the new curriculum, which is in Lao language according to Government policy. As part of Component 2, to support these teachers, enhanced material will be developed to train ethnic teachers on the new curriculum for Grade 1 to Grade 3. This is reflected in the Results Framework by monitoring the percentage of non-Lao-Tai speaking teachers who received training in the new curriculum with this enhanced material.

59. **Citizen engagement.** The project recognizes the important role that participation and engagement with community members who are involved in raising children plays in improving project activities and building sustainability. Engaging community members in interventions such as monitoring CCDGs, as well as participating in the process of developing school development plans and using school report cards, will be an integral part of the project to ensure both accountability and responsiveness to the local context. This engagement will be organized in a way that ensures participation of mothers, fathers, caregivers, teachers, children, and other relevant stakeholders. Citizen engagement will be monitored through a PDO-level indicator (percentage of schools making school report cards public) and an intermediate indicator (percentage of schools in target districts where the school takes action based on VEDC/parent accountability) (VEDC recommendations are actually implemented).

**Lending Instrument, Project Cost, and Financing**

60. **The project will use an Investment Project Financing modality with Performance-Based Conditions (IPF-PBC), whereby part of the disbursement is conditional on the achievement of PBCs**.

61. **Total project financing is estimated to be US$30 million through the IDA credit, together with the ESPIG fixed part of US$11.65 million and ESPIG variable part of US$5.25 million (total US$46.9 million) over five years.** The project will have a hybrid model of the traditional reimbursement mode of financing and the RBF through PBCs. Financing for Component 2 (including the reimbursement against the outcomes) constitutes US$4 million PBC financing. Component 1 is financed only by IPF modality for the total of US$8.73 million. Component 3 will be financed by IPF (US$18.75 million) and PBC (US$1.25 million).

[36] Soukhaseum, Anita. 2020. "Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) and Violence Against Children (VAC)." Background Note. Available on request.

**Table 4. Project Cost and Financing[a]**

| | TOTAL (US$) | TOTAL (SDR) | TOTAL (LAK) |
|---|---|---|---|
| **Component 1: PREPARED AND MOTIVATED LEARNERS** | | | |
| Sub-component 1.1. Child Community Development Groups (CCDG) | 4,789,140 | 3,395,500 | 44,208,551,340 |
| Sub-component 1.2: Multiage Teaching (MAT) | 1,030,350 | 730,518 | 9,511,160,850 |
| Sub-component 1.3. Development of Play-Based Contents and Activities for 3 and 4 Year Olds | 80,000 | 56,720 | 738,480,000 |
| Sub-component 1.4: Reading Readiness Program | 2,360,910 | 1,673,885 | 21,793,560,210 |
| Sub-component 1.5: Childhood Disability Screening | 469,600 | 332,946 | 4,334,877,600 |
| **Total** | 8,730,000 | 6,189,570 | 80,586,630,000 |
| **Component 2: PREPARED AND MOTIVATED TEACHERS** | | | |
| Sub-component 2.1. Improving the quality of teacher professional development | 15,400,000 | 10,918,600 | 142,157,400,000 |
| Sub-component 2.2: Improving teacher management | 2,770,000 | 1,963,930 | 25,569,870,000 |
| **Total** | 18,170,000 | 12,882,530 | 167,727,270,000 |
| **Component 3: EFFECTIVE GOVERNANCE FOR IMPROVING TEACHING AND LEARNING** | | | |
| Sub-component 3.1. Effective School Governance | 14,190,000 | 10,060,710 | 130,987,890,000 |
| Sub-component 3.2: Project Management and Monitoring and Evaluation | 5,810,000 | 4,119,290 | 53,632,110,000 |
| **Total** | 20,000,000 | 14,180,000 | 184,620,000,000 |
| **TOTAL** | **46,900,000** | **33,252,100** | **432,933,900,000** |

*Note:* a. US$600,000 is set aside as World Bank supervision costs, which will be financed by the GPE grant (fixed ESPIG). This will be supplemented by World Bank budget. This will be managed in a separate account, as a World Bank-Executed Trust Fund. For more information on the use of those funds, see Implementation Arrangements in annex 1.

## C. Project Beneficiaries

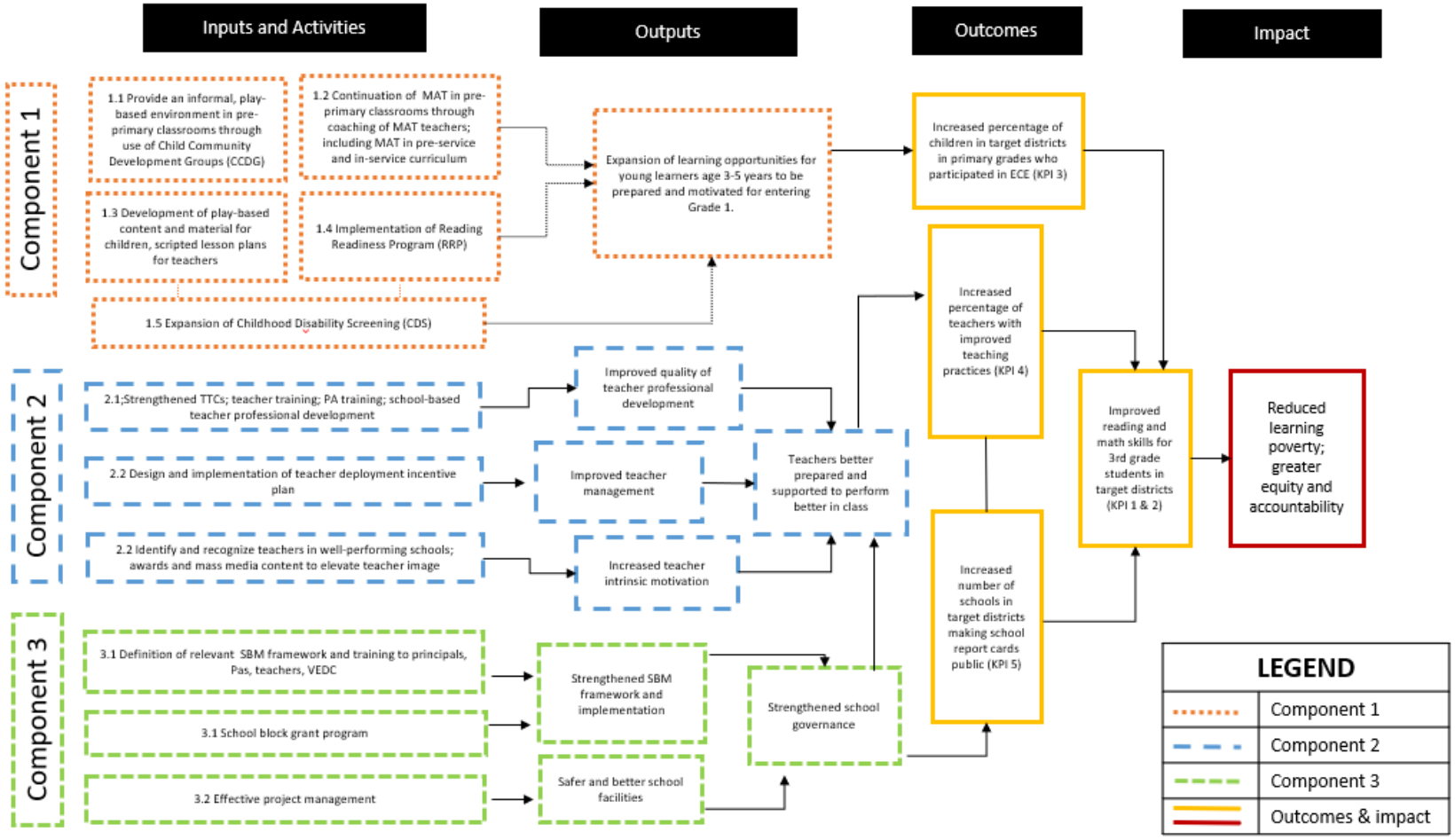
62. **The project will benefit students in early childhood settings (ages 3–5 years) and primary school students and teachers nationwide, with focused support in 60 selected districts across the three components.** While the project will support nationwide policy and system development, such as SBM guidelines and data and monitoring systems, the remaining project activities will provide focused support in 60 of the Government's 148 districts. Of these 60 districts, 40 districts comprise MOES's priority districts based on poor educational indicators (see table 2 for summary indicators). The remaining 20 districts will include additional MOES's priority districts, the World Bank's convergence districts, and districts which received previous ECE interventions under World Bank-supported projects. The focus on select districts, in the context of resource scarcity, will allow the project to provide a holistic and intensive set to improve student learning outcomes. These reforms will aim to transform teaching and learning practices in classrooms through teacher-, school-, and management-level improvements.

63. **The project will benefit approximately half a million individuals (early childhood and primary) each year nationwide, including over 350,000 children.** It will also benefit approximately 30,000 teachers nationwide, as well as thousands of principals, TTC staff, master trainers, pedagogic advisers, and district and provincial staff directly through targeted interventions. It will also benefit approximately 900 VEDC/VHV and 300 medical officers. Component 1 will benefit 37,450 students and 1,575 caregivers and teachers in ECE centers (CCDG, MAT, and pre-primary). Furthermore, by influencing the preservice curriculum in MAT and RRP, it will benefit all teacher-candidates per year. Component 2 will benefit teachers and pedagogic advisers nationwide from Grades 1–3, through interventions focused on capacity building, and teachers from Grades 1–5 through interventions focused on teacher deployment and enhancing professional prestige. Component 3 will benefit all students, teachers, pedagogic advisers, and principals from ECE centers through Grade 5. It will also benefit VEDC members, PESS, DESB, and MOES staff.

### D. Results Chain

64. **Components 1, 2, and 3 together will holistically improve the school and learning environment thereby leading to improved student learning, greater equity, and system accountability.** The project aims to improve the core elements of learning as stipulated in the World Bank's new Education Approach conceptual framework towards ending Learning Poverty. These elements are described in figure 1: prepared learners, including learning focused inputs (orange); effective teaching (blue); and well-managed education systems, including safe and inclusive schools (green). None of these elements can be left out when seeking to make schools functional and ensuring that students learn and stay in school.

**Figure 1. Results Chain**



### E. Rationale for Bank Involvement and Role of Partners

65. **Building on the lessons learned from the two previous GPE II and ECE projects, the World Bank is a natural candidate to support the Government in continuing these efforts.** At the same time, the World Bank has the capacity to leverage international knowledge and experience in new areas of engagement such as teacher policy.

66. **Role of partners**. Along with the World Bank, UNICEF, United States Agency for International Development, Save the Children, Room to Read, Humanity and Inclusion, World Vision International, and Plan International have been supporting the Government in early childhood development in Lao PDR. Australia (DFAT) and JICA are playing an important role in developing a new primary curriculum as well as strengthening the teacher preparation system (preservice and in-service) alongside the proposed project. Additionally, (a) the EU is supporting the Government in streamlining teacher allocation through budget support indicator tied to teacher allocation, (b) UNESCO is developing a teacher policy, and (c) UNICEF has been supporting other teacher policies. The EU and UNICEF have been supporting the Government in developing FQS for schools, while Australia (BEQUAL) has incorporated an assessment rubric in primary teacher guides. Private sector presence in the school education sector is small (305 primary private schools versus 8,518 primary public schools).

### F. Lessons Learned and Reflected in the Project Design

67. **ECE interventions.** Monitoring results suggest that both the CCDG and MAT programs in Lao PDR have been effective in improving learning outcomes. When examining the midline impact evaluation results by children's demographic characteristics, results show that the CCDGs were particularly beneficial for 4-year-olds and those in socioeconomic status quintiles 2 and 3. LEAP will therefore expand the CCDG program while instituting a plan for financial sustainability. Given the presence of pre-primary schools in disadvantaged locations, LEAP will continue supporting MAT through the project while also building MAT into the pre-primary preservice curriculum. The pilot RRP under GPE II could not be completed as planned because of school closures due to COVID-19. Nevertheless, the Research Institute for Educational Sciences (RIES) has conducted a lessons learned workshop based on teacher feedback, which provides sound guidance on improving RRP. The materials will be revised accordingly.

68. **Teacher interventions.** While GPE II did not have a component on teachers, there are several lessons from other development partners (Australia [DFAT], EU, and JICA) working in the area of teachers, particularly the following:

(a) Master trainers and provincial trainers require further training on facilitation skills to manage varied levels of skills and abilities of teachers, principals, and pedagogic advisers.

(b) Trainings in TTCs are expensive because of travel allowances for teachers and pedagogic advisers and this needs to be complemented with other forms of ongoing professional development like peer-to-peer support.

(c) Teachers have received face-to-face training on the use of the structured teacher guides. Grade 2 teachers had two days of training on mathematics and Grade 1 teachers had six days of training on all subjects except mathematics. Teachers have responded positively to the new curriculum materials. However, the training was insufficient as the new curriculum

included a significant amount of new content and approaches, which was challenging for many teachers to absorb during the training.

(d) Mechanisms for collaboration between key departments (that is, Department of Teacher Education [DTE], RIES, and Department of General Education [DGE]) for the development of in-service training approaches materials are lacking, and coordination between key departments has been challenging given the varying mandates and high workloads. Better collaboration and joint inputs are needed to ensure MOES ownership of training materials and approaches.

(e) Support for curriculum implementation is currently divided between RIES (responsible for leading the development of the training materials and organizing and delivering the master trainers' and provincial trainers' trainings) and DTE (responsible for leading the implementation of the face-to-face training of teachers and managing the membership of the master trainer and provincial trainer teams). While these two departments have worked together to deliver the Grade 1 curriculum training, there is a need for increased collaboration and cooperation if the areas of responsibility are to remain the same moving forward.

69. **The World Bank's Independent Evaluation Group recently completed an evaluation of the World Bank's global support to preservice and in-service training.** Key recommendations include ensuring better quality practicum during preservice training and ensuring that in-service training is adapted to teachers' needs and capacity, models adult learning principles, and includes follow-up support.

70. **Governance interventions.** The SBM agenda suffered under GPE II because of limited coordination across different departments and the absence of a department willing to take leadership of SBM. MOES is currently setting up a task force to address coordination challenges and ensure that the SBM mandate is met. Importantly, regarding SBG, LEAP will place emphasis on ensuring that funds are delivered on time, so that schools can plan effectively. Furthermore, school leaders will need to be trained on how to manage SBG funds. Widespread community involvement is key to SBM success. LEAP will increase parent empowerment through targeted training and mechanisms for school participation.

71. **Project management capacity.** MOES has successfully implemented many donor-funded projects, including two funded by the GPE grant. Ministry officials are familiar with the proposed interventions and World Bank procedures. However, capacity is still an issue at all levels, especially in project management and coordination, FM, procurement, and sector planning. LEAP will focus on capacity building in MOES under Component 3. There is a need to strengthen and improve the M&E system from the school to the central level as well as from the central level back to the schools. An independent assessment of the M&E system under the current project shows that schools, districts, and provinces still need capacity development to improve data collection and analysis along with resources to visit schools and share information.

72. **Lack of experience with disbursement-linked indicators and PBCs.** While there are existing projects with disbursement-linked indicators, in the health sector, it is early to assess how prepared the Government is for this new mechanism. Given the requirements for LEAP, due to the GPE financing, and the use of PBCs, the project will build the capacity of the Government to understand this mechanism.

73. **NRE.** There is an opportunity to integrate basic knowledge and awareness on NRE, climate change, and natural disaster into the training module for children and teachers as well as school managers so they can enhance their capacity to live in harmony/adjust to the rapid changes in the surrounding environment and/or can make contributions toward achievement of green growth and sustainable development.

74. **Ethnic group learning and equity.** An initial social assessment undertaken in May–June 2020 identifies key risk areas, including the risk of project activities failing to address inequality in receipt of ECE and continued low ECCE participation of ethnic groups and remote area communities. Factors that contribute to the disparity in uptake of early education include constraints on child participation due to subsistence agricultural livelihoods in remote areas, shortage of qualified ethnic teachers as role models, learning Lao as a second language and cultural appropriateness of materials, and generally poorer quality resources in remote areas. Promotion of ethnic teachers and caregivers has been targeted by the project along with the provision of improved play-based learning techniques and materials and teacher and caregiver training for young villagers. Equity in learning is a project performance indicator. Further measures identified in the social assessment include hiring of an ethnic group development specialist to undertake disaggregated analysis of data on gender and ethnicity relevant to ECE teacher training and student participation during project implementation. The specialist may develop a cultural awareness field guide on promotion of inclusion of ethnic children and teachers in project activities to be incorporated into the Project Operations Manual. The project may consider piloting the use of talking book technologies for curriculum delivery and participant feedback and communications.

75. **Safety of women and children.** The social assessment also identifies that without intervention, project activities may be ignoring social protection risks associated with violence experienced by women and children. Child safety has been promoted through the CCDGs supporting parents to leave children at school rather than look after them in the fields. VEDCs have promoted creation of school walking groups that offer support where transportation is an issue. Localized contract bidding has been found to minimize disruption to local ways of life associated with presence of construction labor. As majority of teachers and caregivers for children ages 3–5 are young women, a teacher counselling hotline service is being proposed with specialized training at the school cluster level with a link to a trained national guidance consultant or organization on violence against women and children issues. Other measures include implementation of a project code of conduct for workers, teachers, and caregivers and provision of training and awareness on violence against women and children risks during implementation.

76. **Harmonization of different databases and effective data use.** MOES currently has multiple management information systems (MISs), such as Personnel Management Information System, Teacher Management Information System, Teacher Education Management Information System (TEMIS), TVET-MIS, LUMIS, and EMIS, which cannot be linked to each other. The project will work closely with UNICEF on the LESMIS initiative to harmonize these MISs, as well as others, such as PBMIS and TMIS. The project will also strengthen systems for regular reporting and use of data under Component 3.

## III. IMPLEMENTATION ARRANGEMENTS

### A. Institutional and Implementation Arrangements

77. **The project is expected to be implemented over a five-year period between 2021 and 2026.** Activities will be carried out at the national, provincial, district, cluster, and villages/school levels. The

project's institutional and implementation arrangements will continue to build on the existing successful arrangements under GPE II, with the overall implementation of the project resting with MOES.

78. **As effectively carried out under previous World Bank- and GPE-funded projects, MOES will be the project executing agency and has final responsibility for project implementation according to agreed administrative arrangements, FM and procurement practices, and applicable safeguards policies (see annex 1 for more details).** Under the authority of MOES, the DoP's ECU will coordinate project implementation activities, guided by LEAP's Coordination Committee and supported by a technical project working group.[37] An interministerial Project Advisory Council will provide overall oversight and will be the main avenue for interministerial coordination when needed. The ECU has a proven record in successfully implementing past and ongoing GPE and World Bank education projects and it is fully familiar with the GPE and World Bank procedures and requirements. MOES will implement project activities as part of the work of its line departments referred to as implementing units. The implementing units will have counterpart officials nominated at the provincial and district levels, depending on the subcomponent.

### B. Results Monitoring and Evaluation Arrangements

79. **LEAP will build on GPE II's M&E system.** While the existing M&E system has provided data on project indicators, implementing units do not always have a full understanding of how activities being implemented will lead to improvement in indicators, which in turn will lead to achievement of the PDO. This has reduced their capacity to report data in time and use the data for decision-making. LEAP will finance the following to improve project M&E: (a) staff capacity building for M&E, (b) alignment of different MISs (described previously), (c) studies to track changes in student learning, (d) routine data collection on teacher progress on following the teacher guides effectively, (e) impact evaluation on the RRP, (f) improvement in the system of classroom assessments, (g) under the SBM component, building of a system to promote school accountability by disclosing credible and reliable data, and (h) routine dissemination and discussion of findings through the Education Sector Working Group Focal Group 5 on research.

### C. Sustainability

80. **The investment is assessed as reasonable and necessary.** Sustainability of specific activities poses a challenge and will be addressed in the project, as discussed as follows. The total project cost is US$46.9 million over a five-year period (2021–2026), or an average of US$9.38 million per year. This is equivalent to approximately 2 percent of the total projected education budget between 2021 and25.[38] Article 57 of the Education Law mentions that the Government must consider the sector a "first priority" and gradually increase its share of the State Budget to "18 percent and more." This target has not been reached yet, and the education sector budget has oscillated for years between 13 percent and 14 percent of the state budget. Furthermore, there are important discrepancies between the categories of expenditures (chapters) within the recurrent budget. For instance, education receives 22.9 percent of Chapter 60 (wages) in the 2020 budget, as education services are notoriously labor intensive, but only 7.3 percent of

[37] The coordination committee comprises relevant departments from MOES, Australia (DFAT), EU, JICA, UNICEF, and the World Bank for technical coordination among the relevant implementation units.
[38] 9th ESSDP. Chapter 7. Draft.

Chapter 63 (technical activities), which is highly relevant for improving the quality of education as it includes textbooks, in-service teacher training, pedagogical support, and so forth.

81. **Given the stagnancy in education's share of the budget and the need for more budget, the project has a clear emphasis on supporting sustainability.** The project will support a series of activities that are extensions of ongoing activities supported by the World Bank or other development partners, for which there are clear data on unit costs and marginal costs of expansion. Moreover, the learning process allows for the unit cost to be lower than in previous projects. Second, the focus on selected districts, in the context of resource scarcity, will allow the project to pilot a holistic and intensive set of interventions in the poorest performing regions. This setting will allow for an assessment of the cost-effectiveness of nationally scaling the LEAP interventions, taking into account both the fixed and the marginal cost of expanding the interventions. These evaluations will provide a benchmark for understanding how investments can be optimized for better results going forward. In addition, there will be ongoing discussions with the Government during project implementation on how to make the project more sustainable and cost-effective ways to expand project activities to other districts. Finally, the World Bank will commit to support a Public Expenditure Review during the life of the project to further enhance the use of funds and the sustainability of the sector.

82. **The project will help strengthen the overall education system, such that the system generates better learning and is more efficient and equitable.** First, the project will support the design and use of a more robust MIS, in collaboration with UNICEF and the EU, to facilitate better tracking of inputs and outputs. This will, for instance, provide a more accurate picture of what kinds of resources, such as additional teachers, are needed in which geographies. MOES will participate as a pilot ministry in the Medium-term Budget Framework of the Ministry of Finance(MoF) with sector ceilings from January 2021. Better data on needs will allow MOES to allocate existing budget better while also making more credible claims for increased budget. Second, the project will support better school-level planning and budgeting, again allowing for better allocation of public financing at the school level. Third, the project will build the capacity of teachers and administrators, which is essential for improvement. Fourth, the project will strengthen existing institutions, such as the teacher training centers, thereby strengthening institutional arrangements to be used by the Government subsequently, including for initiatives funded by development partners.

83. **The project will explore the sustainability of micro-interventions in the following way.** While the CCDG intervention has proven highly effective, for it to scale and sustain, incremental fixed (construction) and recurrent costs will need to be covered. Recurrent costs pertain to caregiver pay and training, CCDG maintenance, and material replenishment, with the first being the most expensive. For long-term sustainability, the program will explore mechanisms to financially sustain these using contributions from different stakeholders or the SBG toward the end of the project. Caregivers' remuneration will be fully paid (US$70 per month) in the first year. The project's contribution could be potentially reduced proportionately in subsequent years, depending on compensating financing from the community or SBGs. Initial discussions with the community suggest that this is likely. The reduced amount supported by the project could be substituted by contributions from other stakeholders or other sources of funding to be identified. Regarding the innovative elements of teacher training, such as the RRP and MAT, the project will incorporate these into the new pre-primary curriculum for long-term sustainability with only very marginal cost implications. TEACH will be incorporated into the regular monitoring exercise undertaken by pedagogic advisers being designed by the Government in collaboration with UNICEF and the EU, again with only very marginal cost implications. More intensive teacher-led initiatives in selected

districts, if proven effective, will require greater budgetary allocation. While some include low-cost strategies, such as cluster-led teacher support groups and school-based professional development, others involve more resource-intensive investments, such as coaching support from pedagogic advisers. At the same time, international evidence suggests that when teacher professional development fails to incorporate these elements, it is a waste of resources.

84. **These activities and reforms are considered institutionally sustainable.** Project coordination is undertaken by a department within MOES, ECU, versus a separate Project Implementation Unit. While project funds will be used to hire additional support, all core education functions will be undertaken by the existing staff. In addition, the project is financing activities that the ministry is doing as part of its regular work, like providing teacher professional development, collecting data, or providing school grants using existing systems rather than creating new, stand-alone activities. Hence, all capacity-building activities will strengthen the ministry in the long term. Importantly, the Government's commitment to the project is high.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis (if applicable)

**Technical Analysis**

85. **A large body of evidence finds that well-designed ECE programs can harness children's natural ability and motivation to learn.** High-quality ECE can foster foundational skills, boost children's ability to learn, and prepare them for school. Children who attend ECE programs that effectively cultivate their abilities and motivation to learn have higher attendance and better achievement in primary school, and are less likely to repeat, drop out, or require remedial or special education. Moreover, the skills children develop during childhood are important predictors of later academic and life success. Quality early learning programs can also promote equity: in both rich and poor countries, the most disadvantaged children benefit the most from quality ECE programs.[39] The project would strengthen ECE in Lao PDR through three main interventions: (a) providing a play-based learning environment for 3–4-year-olds in a community-based setting in select locations, (b) providing MAT techniques to pre-primary class teachers to handle children ages 3–5 years in the class, and (c) launching a program of soft-scripted instruction and storybooks to introduce 5-year-olds to early literacy.

86. **The value of these interventions is confirmed by the evidence of the midline results of the impact evaluation of pilot program in Lao PDR.** The midline results of the impact evaluation have shown that children's early development outcomes have increased significantly across northern Lao PDR since implementation of the ECE project. In MAT villages, children's average overall development has increased from 0.51 at baseline to 0.61 at midline. In the CCDG villages, scores have increased from 0.52 to 0.62.

87. **Improving teacher quality is a cornerstone to improve student learning.** Improving teacher appraisal, professional development, and teacher management is crucial to improve student learning. Teachers are the most important school-based determinant of student learning.[40] Research shows that

[39] Naudeau 2011; Berlinski and Schady 2016; Cunha et al. 2006; Britto et al. 2016.
[40] Hanushek and Rivkin 2010; World Bank 2018.

teachers' subject content knowledge[41] and pedagogical practices[42] in the classroom are among the most important factors to explain teachers' value added. The project would strengthen preservice and in-service training in Lao PDR in these dimensions, by (a) developing an appraisal system to assess the support teachers need, (b) strengthening the TTCs as centers for professional development and improving teacher training, (c) developing cluster- and school-based professional development systems to make the support ongoing rather than one-off, and (d) enhancing teacher deployment so that teachers go where they are needed the most. This is in line with current research on best practices on motivating teachers and improving pre- and in-service training as well as teacher management, which will all ultimately lead to student learning.[43]

88. **SBM has the potential to shift the focus to learning and support students' trajectories.** The benefits of education—cultural, economic, and social—accrue to society only when learning occurs.[44] For governments to learn what policies worked to improve learning and avoid 'flying blind', they need credible data.[45] The project will support strengthening the SBM system, emphasizing the student evaluation system within schools. Recent research found that countries that routinely assess students see improvements in student achievement.[46] As part of the project, principals would be trained to collect and use data on what students mastered and what competencies they need to improve. A recent RCT found that providing schools with such information (together with a short training) improved student achievement between 0.28 and 0.38 of a standard deviation, which represents around one additional academic year of learning.[47]

**Economic and Financial Analysis**

89. **The operation's benefits are substantial.** An economic analysis of the proposed LEAP presents positive results in both the benefit-cost analysis and the internal economic rate of return (IERR) under several scenarios. A detailed economic and financial analysis is available as a background note upon request.

90. **Cost-benefit analysis.** Table 5 summarizes the results, using a conservative discount rate (5 percent). All programs yield positive and significant IERR (between 8 percent and 11 percent). Both the cost-benefit analysis and the IERR remain positive under several sensitivity analyses.

**Table 5. Results of the Economic Analysis**

| Intervention | Benefit-Cost Ratio | Internal Rate of Return (%) |
|---|---|---|
| CCDG | 9 | 9 |
| RRP | 10 | 11 |
| Teachers | 74 | 10 |
| SBM | 173 | 8 |

[41] Metzler and Woessmann 2012.
[42] Araujo et al. 2016.
[43] Beteille and Evans 2018; Popova, Evans, and Arancibia 2016; Yoshikawa et al. 2015.
[44] OECD (Organisation of Economic Co-operation and Development) 2010.
[45] World Bank 2018.
[46] Bergbauer, Hanushek, and Woessmann 2018.
[47] De Hoyos et al. 2018.

## B. Fiduciary

### (i) Financial Management

91. **The FM assessment was carried out in accordance with OP/BP10.0 to determine if the existing capacity and FM arrangements within the Department of Finance (DoF) and the ECU of MOES were adequate for the project.** The FM for GPE III will be similar to the current arrangement under the GPE II and ECE projects with further strengthening of the FM team within the ECU to help support the DoF with greater focus on timely advance liquidation, timely submission of the unaudited interim financial reports (IFRs), production of the annual work and budget plan for the project, and FM capacity building at the provincial and district levels. This assessment is based on an updated 2015 assessment of the DoF and for preparation of the GPE II and ECE projects. Although the DoF and ECU have gained experience in managing donor-funded projects and some improvements to the FM system, such as financial transactions recorded in a computerized accounting system and staff trained at the central and provincial levels, have been made over the life of the previous phases, the recurring issues of long aging unliquidated advances and untimely submission of IFRs remain unresolved. Furthermore, as project activities is are decentralized and involve extensive school-/community-level management of funds and as there exists weak FM capacity at the subnational, school, and community levels, the risk of misuse of funds still remains. Procurement risk is assessed as Substantial. The assessment and mitigation measures are discussed in annex 1.

92. **Funds flow and disbursement arrangements (fixed part).** Funds for implementation of all non-PBC components will flow from the World Bank to a pooled Designated Account (DA) denominated in US dollars opened at the Bank of Lao PDR (BoL) and managed by the National Treasury of the MoF. The DA will have variable ceilings based on a six-month cash forecast. Applicable disbursement methods include (a) advance, (b) reimbursement, (c) direct payment, and (d) special commitment. Reporting of expenditure paid from the DA will be based on submission of statement of expenditure (SOE). Frequency of reporting of expenditure will be every three months. An operating account, managed by MoES, will be opened at a commercial bank to facilitate the day-to-day work.

93. **PBCs (variable part).** As a general requirement for a project containing some GPE financing, approximately 30 percent of the GPE grant of US$16.9 million will be allocated to PBCs' activities.

94. **Funds flow for PBC.** The project funds will be part of and additional to the overall MOES budget and will follow through the existing government mechanism. To ensure sufficiency and timely release of funds, a special account denominated in US dollars will be opened at the BoL managed by the National Treasury of the MoF. Disbursement for the first year and subsequent years will be contingent upon the borrower fulfilling the abovementioned requirements. PBCs' measurement, reporting, and fund release will be timed so that resources are available just before the start of the Lao fiscal year. Funds disbursed for the central level will be transferred from the MoF to the MOES at the central level and for the provincial-level PBCs from the MoF directly to the provincial level following the GoL funds flow procedures. For reimbursement against achievement of PBCs, a Memorandum of Understanding, including a district-specific PBC matrix, will be prepared and signed between MOES and the district for each target district. To ensure sufficiency and timely release of funds, a bank account at the district level is required to be opened specifically to receive transfer of funds from the MoF for the project. For transfer to MOES at the central level, the amount will be based on the value of the central-level PBCs achieved. Based on verification reports, MOES will make a request to the MoF for the transfer. For district-level

activities, funds will flow to the provincial and district accounts and will be allocated to relevant units under the PESS. An IVA will be hired by MOES to undertake performance audits and verify that agreed PBCs have been achieved.

**(ii) Procurement**

95. **Procurement under the project will be conducted in accordance with the requirements set forth or referred to in the 'World Bank Procurement Regulations for IPF Borrowers', dated July 2016, revised November 2017 and August 2018 (Procurement Regulations).** Approaches to national markets (request for bids and request for quotations) will be carried out in accordance with the national regulations including the Lao PDR Law on Public Procurement, No. 30/NA November 2, 2017; Instruction on Implementation of Law on Public Procurement, No. 0477/NA February 13, 2019; and harmonized bidding documents and request for quotations for procurement of works, goods, and non-consulting services agreed with the World Bank. For procurement approaching international markets, the World Bank's standard procurement documents would be used. In addition, the World Bank's Systematic Tracking of Exchanges in Procurement (STEP), for which the ECU staff have already been trained, will be used to communicate all procurement requests and information to the World Bank. Procurement risk is assessed as Moderate. The assessment and mitigation measures are discussed in annex 1.

96. **Procurement strategy and procurement approach.** The ECU will prepare a Project Procurement Strategy for Development (PPSD) for the project with support from the World Bank team, and the document will be available in separate project files. The PPSD presents how procurement activities will support the development objective of the project and deliver the best value for money under a risk-based approach. In addition, the PPSD includes the rationales for procurement decisions, including selection of the approach to market and procurement methods. The PPSD and the Procurement Plan of the project shall be regularly updated as appropriate during project implementation. Details are provided in annex 1.

97. **Procurement Plan.** Based on the PPSD, an initial Procurement Plan covering the first 18 months of project implementation has been developed. The initial Procurement Plan is available as a separate project document that will be updated at least annually, or as needed, to reflect the current status of implementation of each procurement activity/contract or to modify/delete or add activities/contracts. Updates of the Procurement Plan will be submitted to the World Bank for its review and approval before implementation. Contracts below the prior review thresholds as captured in the approved Procurement Plan shall be subject to post review by the World Bank team on an annual basis, in accordance with the procedures set forth in the Procurement Regulations. The sampling rate of post review is at least 10 percent of the total World Bank-financed contracts awarded across the World Bank portfolio that have not been subject to prior review by the World Bank. An external auditor engaged by MOES will be tasked to carry out the integrated FM audit and procurement ex post review of the procurement activities of the CCDG grants and SBG grants. STEP will help the World Bank monitor the procurement progress and take appropriate supportive actions in due course. Details are provided in annex 1.

## C. Legal Operational Policies

| | Triggered? |
|---|---|
| Projects on International Waterways OP 7.50 | No |

| | |
|---|---|
| Projects in Disputed Areas OP 7.60 | No |

### D. Environmental and Social

98. **Environmental risk is Moderate.** The project will not finance any new major physical construction works; however, it may support some small renovation civil works such as small office and school renovation. The environmental and social negative impact is not expected to be irreversible, unprecedented, or complex; is most likely to be small, localized, and temporary; and can be mitigated through proper project design and implementation of relevant ESF instruments. An Environmental and Social Management Framework (ESMF) has been developed and will be implemented to ensure that all environment and social risks defined under ESF standards are considered and addressed as part of project activity implementation. The ESMF will include environmental code of practices and a code of conduct to be applied for small physical renovation civil works. The project will support training programs in eight TTCs where the buildings and other facilities are constructed in parallel with JICA support, the TTC is not considered as the 'associate facilities' as defined in the World Bank ESF policy, and World Bank ESF requirements will not be applied to the TTC construction. Integration of basic knowledge on NRE could help enhance the knowledge and awareness of children, teachers, and school managers on NRE and GoL policy and guidelines related to natural disaster, climate change, conservation of natural resources, and environmental protection.

99. **Social risk is Moderate**. The project activities are nationwide with a focus on districts with poor education performance, many of which are likely to be rural districts and include ethnic populations that speak Lao as a second language. Civil works are likely to be minor and involve easily manageable site-specific community health and safety risks and small numbers of locally sourced labor. Localized risks include failure to safely isolate construction sites from children and community members, including community and project traffic interactions, especially where these involve children travelling to and from existing schools. Community labor should be screened to ensure that it is voluntary and of legal working age. Risk that the programmatic activities may extend underrepresentation and under-enrollment of vulnerable and marginal ethnic groups require addressing with appropriate social inclusion measures identified and described in a Social Assessment Report and incorporated into project design. Risks to safety of women and children may be prevalent in remote communities. Project activities, clearly defined around provision of training and access to third-party service providers, offer opportunities for positive interventions to address these risks and precautionary measures to reduce prevalence.

## V. GRIEVANCE REDRESS SERVICES

100. **Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit

http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

## VI. KEY RISKS

101. **The overall risk is Moderate.** MOES has successfully implemented a number of projects financed or supervised by the World Bank in the education sector, including the ongoing GPE II. Ministry officials at the central level are familiar with the proposed interventions and with World Bank procedures and have received training on project management, procurement, and sector planning. The main risks pertain to macroeconomic risk (High), political and governance risk (Substantial), and fiduciary (Substantial), as discussed in table 6. Additionally, donor coordination requires extensive dialogue and cooperation, which may present a risk for timely preparation of deliverables.

**Table 6. Risk Ratings Summary Table**

| S. No. | Risk Category | Rating | Mitigation Measures |
|---|---|---|---|
| 1 | Political and governance | **Substantial:** Concerns with overlapping mandates and stalled decision-making in MOES departments | The project will work closely with senior MOES personnel, including the minister and vice minister, with regular World Bank implementation support missions (ISMs). Daily support to address issues real time will be provided by the World Bank team in Vientiane through the life of the project. |
| 2 | Macroeconomic | **High:** Weak fiscal capacity may result in reduction in non-salary operational budget, affecting disbursement of the SBGs. Teacher availability may be at risk because the government budget may be limited for new teacher intake. | At this stage, there is little within the control of the project to mitigate this risk, beyond being open to project restructuring as needed. The issue is likely to be taken up by the World Bank in the broader context of macroeconomic stability. |
| 3 | Sector Strategies and policies | **Low** | — |
| 4 | Technical design of the project | **Moderate** | — |
| 5 | Institutional capacity for implementation and sustainability | **Moderate** | — |
| 6 | Fiduciary | **Substantial:** Fiduciary performance, especially in the area of FM during ECE and GPE II projects, has been a challenge due to staff turnover, leading to delays. PBCs will add further complexity. | Training for FM staff will be provided on an ongoing basis to help ensure that necessary controls are in place and that sound FM practices are being implemented. |
| 7 | Environmental and social | **Moderate** | |

| S. No. | Risk Category | Rating | Mitigation Measures |
|---|---|---|---|
| 8 | Stakeholders | **Moderate** | |
| 9 | Other | **Substantial:** The GoL may be adversely affected by the COVID-19 pandemic and MOES has yet to articulate a clear mitigation plan besides school closures. Learning losses while schools are closed, even with remote learning, would likely be large and inequitable. Economic stress on households may reduce school attendance, especially in non-compulsory ECE. Such unpredictable events could risk PDO achievement. | The task team and MOES will work closely to provide emergency response, especially in the early stages, to minimize the risk of implementation delays. Interventions undertaken by other development partners such as UNICEF would have already been piloted and can be reintroduced under the project. Coordination with other World Bank-financed operations supporting the response to COVID-19 will be needed. |
| 10 | **Overall** | **Moderate** | |

## VII. RESULTS FRAMEWORK AND MONITORING

**Results Framework**

**COUNTRY: Lao People's Democratic Republic**

**Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project**

### Project Development Objectives(s)

To improve learning outcomes in primary grades in target districts and strengthen teacher and system performance in Lao PDR.

### Project Development Objective Indicators

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| **To improve learning outcomes in primary grades in target districts and strengthen teacher and system** | | | | | | | |
| Percentage of 3rd grade students in target districts who can read and comprehend a grade-appropriate paragraph (Percentage) | | 43.00 | 48.00 | | | | 53.00 |
| Percentage of non Lao-Tai speaking children in target districts who can read and comprehend a grade-appropriate paragraph (Percentage) | | 33.00 | 40.50 | | | | 48.00 |

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| Percentage of girls in target districts who can read and comprehend a grade-appropriate paragraph (Percentage) | | 46.00 | 50.25 | | | | 54.50 |
| Percentage of 3rd grade students in target districts who can subtract at a grade-appropriate level (Percentage) | | 23.00 | 28.00 | | | | 33.00 |
| Percentage of 3rd grade non Lao-Tai speaking children in target districts who can subtract at a grade-appropriate level (Percentage) | | 13.00 | 20.50 | | | | 28.00 |
| Percentage of 3rd grade girls in target districts who can subtract at a grade-appropriate level (Percentage) | | 26.00 | 29.50 | | | | 34.00 |
| Percentage of mathematics and Lao Language grade 1-3 teachers with improved teaching practices as measured by high a inference tool (Percentage) | | 0.00 | 5.00 | | | | 15.00 |
| Percentage of mathematics and Lao Language grade 1-3 female teachers with improved teaching practices as measured by a high | | 0.00 | 5.00 | | | | 15.00 |

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| inference tool (Percentage) | | | | | | | |
| Percentage of schools in target districts making school report cards public (Percentage) | | 0.00 | 10.00 | 20.00 | 30.00 | 40.00 | 50.00 |
| Percentage of children in target districts in primary grade 1 who participated in ECE (Percentage) | | 62.00 | 64.00 | 66.00 | 68.00 | 70.00 | 72.00 |
| Percentage of girls in target districts in primary grade 1 who participated in ECE (Percentage) | | 62.00 | 64.00 | 66.00 | 68.00 | 70.00 | 72.00 |

## Intermediate Results Indicators by Components

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| **Component 1: Prepared and Motivated Learners** | | | | | | | |
| Percentage of children aged 3-5 enrolled in ECE programs in CCDG, MAT and RRP in target villages (Percentage) | | 24.00 | 30.00 | 44.40 | 54.60 | 64.80 | 75.00 |
| Percentage of girls aged 3-5 enrolled in ECE programs in CCDG, MAT and RRP in target villages (Percentage) | | 24.00 | 30.00 | 44.40 | 54.60 | 64.80 | 75.00 |
| Number of new CCDG shelters with water and sanitation | | 0.00 | 57.00 | 115.00 | 150.00 | 160.00 | 172.00 |

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| facilities constructed or rehabilitated with climate and disaster-resilient standards in target villages (Number) | | | | | | | |
| Number of teachers and caregivers receiving in-service training on ECE programs in CCDG, MAT, and RRP in target districts (Number) | | 0.00 | 510.00 | 1,020.00 | 1,300.00 | 1,400.00 | 1,525.00 |
| Number of children aged 3 to 5 years receiving disability screening in new target districts (Number) | | 0.00 | 360.00 | 720.00 | 1,080.00 | 1,440.00 | 1,800.00 |
| **Component 2: Prepared and Motivated teachers** | | | | | | | |
| Districts that are compliant with teacher allocation protocols in the 40 priority districts (Text) | PBC 1 | 1 out of 40 districts is compliant | Revised the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan | | | | 10 districts have 30 percent of government primary schools with enough teachers based on the set criteria. |
| Percentage of teachers that received in-service training on the new curriculum in grade 1-3 (Percentage) | | 66.00 | 66.00 | 80.00 | 90.00 | 100.00 | 100.00 |
| Percentage of female teachers that received in-service training on the new curriculum in grade 1-3 (Percentage) | | 66.00 | 66.00 | 80.00 | 90.00 | 100.00 | 100.00 |
| Percentage of non Lao-Tai speaking teachers that received in-service | | 0.00 | 20.00 | 40.00 | 60.00 | 80.00 | 100.00 |

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| professional development on the new curriculum using revised material (Percentage) | | | | | | | |
| Number of TTCs providing pre-service and coordinating in-service training for all levels of school-education (Number) | | 0.00 | 0.00 | 4.00 | 6.00 | 7.00 | 8.00 |
| Percentage of mathematics and Lao Language grade 1-3 teachers in target districs showing improvement in rejecting gender bias and challenging gender stereotypes in the classroom (Percentage) | | 0.00 | 10.00 | | | | 20.00 |
| Teaching the new Grade 1 mathematics and Lao language curriculum effectively (Text) | PBC 3 | No | Tool and report | | | | Additional 20% of teachers in grade 1 improve their effectiveness |
| **Component 3: Effective school governance for improving teaching and learning** | | | | | | | |
| Number of target districts with at least 80% of schools having a quality public primary school development plans (Number) | | 0.00 | 12.00 | 24.00 | 36.00 | 48.00 | 60.00 |
| Percentage of public primary schools in target districts receiving GPE III block grants (Percentage) | | 0.00 | 20.00 | 40.00 | 60.00 | 80.00 | 100.00 |
| Percentage of public primary schools whose principals or heads in target districts that have received capacity building | | 0.00 | 20.00 | 40.00 | 60.00 | 80.00 | 100.00 |

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | |
| on school based management under GPE III (Percentage) | | | | | | | |
| Percentage of schools in target districts where the principal takes action based on VEDC/parent accountability (Percentage) | | 18.70 | 20.00 | | | | 23.00 |
| Improved data quality, management, and utilization for monitoring and planning (Text) | PBC 2 | No baseline | LESMIS Platform becomes operational, pulling together data from various MoES databases, producing dashboards and providing access to the platform for all stakeholders | | | | LESMIS Platform is being used to inform the Joint Sector Review Missions or Annual Sector Report. |

**Monitoring & Evaluation Plan: PDO Indicators**

| Indicator Name | Definition/Description | Frequency | Datasource | Methodology for Data Collection | Responsibility for Data Collection |
|---|---|---|---|---|---|
| Percentage of 3rd grade students in target districts who can read and comprehend a grade-appropriate paragraph | 3rd grade students can read and comprehend a narrative or informational text with accuracy, little effort, and at a sufficient rate. | Baseline and bi-annually thereafter | EGRA/ASLO assessments | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |

| | | | | | |
|---|---|---|---|---|---|
| Percentage of non Lao-Tai speaking children in target districts who can read and comprehend a grade-appropriate paragraph | 3rd grade students can read and comprehend a narrative or informational text with accuracy, little effort, and at a sufficient rate. | Baseline and bi-annually there after | EGRA/ASLO assessments | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |
| Percentage of girls in target districts who can read and comprehend a grade-appropriate paragraph | 3rd grade students can read and comprehend a narrative or informational text with accuracy, little effort, and at a sufficient rate. | Baseline and bi-annually there after | EGRA/ASLO assessments | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |
| Percentage of 3rd grade students in target districts who can subtract at a grade-appropriate level | 3rd grade students can subtract 3 digit numbers with carryover. | Baseline and bi-annually there after | EGRA / ASLO assessments | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |
| Percentage of 3rd grade non Lao-Tai speaking children in target districts who can subtract at a grade-appropriate level | 3rd grade students can subtract 3 digit numbers with carryover. | Baseline and bi-annually there after | EGRA / ASLO assessment | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |
| Percentage of 3rd grade girls in target districts who can subtract at a grade-appropriate level | 3rd grade students can subtract 3 digit numbers with carryover. | Baseline and bi-annually there after | EGRA / ASLO assessments | Random sample of students | RIES 2023<br><br>GED M&E Network/ECU |
| Percentage of mathematics and Lao Language grade 1-3 teachers with improved teaching practices as measured by high a inference tool | As measured through a classroom lesson observation tool.<br><br>Enhance current classroom observation tools to be high inference while ensuring alignment to the teaching standards and international | Baseline and bi-annually thereafter | Conducted by pedagogic advisers | Direct Observation using a high inference classroom observation tool on a random sample of teachers | DTE |

| | | | | | |
|---|---|---|---|---|---|
| | best practice | | | | |
| Percentage of mathematics and Lao Language grade 1-3 female teachers with improved teaching practices as measured by a high inference tool | As measured through a classroom lesson observation tool. Baseline 0; Endline: Improvement by 6 percentage points. | Baseline and bi-annually thereafter | Conducted by pedagogic advisers | Direct Observation using a high inference classroom observation tool on a random sample of teachers | DTE |
| Percentage of schools in target districts making school report cards public | School report card indicating the relative performance of the school displayed at a village level (either on the school or community notice board in the village). | Annual | Fundamental Quality Standards (FQS) Assess ment Tool | Annual national government performance measurement | ESQAC |
| Percentage of children in target districts in primary grade 1 who participated in ECE | Of those students who attended ECE what percentage attended primary school when they were 6 years of age. | Annual | EMIS | EMIS monitoring data | DECE M&E Network/ECU |
| Percentage of girls in target districts in primary grade 1 who participated in ECE | Of those students who attended ECE what percentage attended primary school when they were 6 years of age. | Annual | EMIS | EMIS monitoring data | DECE M&E Network/ECU |

| Monitoring & Evaluation Plan: Intermediate Results Indicators | | | | | |
|---|---|---|---|---|---|
| **Indicator Name** | **Definition/Description** | **Frequency** | **Datasource** | **Methodology for Data Collection** | **Responsibility for Data Collection** |
| Percentage of children aged 3-5 enrolled in ECE programs in CCDG, MAT and RRP in target villages | Measures the number of students enrolled as a percentage of total population. It will be measured for all target villages. | Annual | Monitoring records | Annual monitoring of target villages. | DPPE M&E Network/ECU |
| Percentage of girls aged 3-5 enrolled in ECE programs in CCDG, MAT and RRP in target villages | Measures the number of students enrolled as a percentage of total population. It will be measured for all target villages. | Annual | Monitoring records | Annual monitoring of target villages | DPPE M&E Network/ECU |
| Number of new CCDG shelters with water and sanitation facilities constructed or rehabilitated with climate and disaster-resilient standards in target villages | Simple count of new CCDG shelters built with water and sanitation facilities or rehabilitated with climate resilient standards in target villages. | Annual | Monitoring records | Annual monitoring of target villages | DPPE M&E Network/ECU |
| Number of teachers and caregivers receiving in-service training on ECE programs in CCDG, MAT, and RRP in target districts | Measures the number of teachers and caregivers receiving in-service training on ECE programs in CCDG, MAT, and RRP in target districts. | Annual | Monitoring records | Annual monitoring of target villages. | DPPE M&E Network/ECU |
| Number of children aged 3 to 5 years receiving disability screening in new target districts | Simple count of number of children screened | Annual | MOH, ECU | Screening records | DPPE M&E Network/ECU |

| | | | | | |
|---|---|---|---|---|---|
| Districts that are compliant with teacher allocation protocols in the 40 priority districts | This is a combination of qualitative and quantitative targets. Targets:<br>Year 2: Revised the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan.<br>Year 4: 10 districts have 30 percent of government primary schools with enough teachers based on the set criteria. | Annual | Ministerial decree, LESMIS | First, to calculate the total of teacher requirement of each public primary school based on the government 5 set criteria*. Second, to calculate balance between number of total requirements and number of existing teachers (government teachers, do not count volunteer teachers). A result more than "0" means that school needs additional teachers, and less than "0" it means that school has surplus teachers. A result that is close to 0 means that school with enough teacher. Finally, using the information in the previous steps, we count number of public primary schools with enough teachers in district level over the total number of schools. | MOES proof of decree, data, and independent verification required. |

| | | | | | |
|---|---|---|---|---|---|
| | | | | *The following are the five set criteria: 1)Incomplete primary and complete primary schools with the minimum number of students of 30 or below can recruit 1-2 teachers or Pupil Teacher Ratio 15:1; 2) Incomplete primary and complete primary schools with the minimum number of students of 31-65 can recruit 2-3 teachers or Pupil Teacher Ratio 20:1; 3) Incomplete primary and complete primary schools with the minimum number of students of 66-110 can recruit 3-4 teachers (school principal included if they also teach) or Pupil Teacher Ratio 25:1; 4) Complete primary schools with the minimum number of students of 111-160 can recruit 4-5 teachers or Pupil Teacher Ratio | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | 30:1 (school principal not included but has to teach at least 6 hours per week); and 5) Complete primary schools with the number of students of 161 and above can recruit at least 5 teachers or Pupil Teacher Ratio 35:1 (school principal not included but has to teach at least 6 hours per week). Remarks 1) If the number of students in grade 1 and grade 2 is 42 or above, the can class can be split using the Pupil Teacher Ratio 28:1; and if the number of students in grade 3 to grade 5 is 50 or above, the class can be split using the Pupil Teacher Ratio 33:1; 2) The teachers of English and pedagogical advisors supporting or teaching in a school cluster must be allocated regular | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | teaching hours in a particular school; 3) Upgrading incomplete primary schools into complete primary schools is not allowed if students can still travel to other nearby complete primary schools; 4) For the primary schools with a few numbers of students, teachers and students are required to be transferred to nearby schools; in the case of schools in urban areas, it is not allowed to organize multi-grade teaching; and 5) If the result of divisions contains the decimal number of 0.5 or above, round it to 1. | |
| Percentage of teachers that received in-service training on the new curriculum in grade 1-3 | Percentage of teachers in grade one to grade three that have been trained on the new language and mathematics curriculum | Annual | Training records prepared by DTE | DTE | TDE |
| Percentage of female teachers that received in-service training on the | Percentage of female teachers in grade 1 to grade | Annual | Training records | DTE | TDE |

| | | | | | |
|---|---|---|---|---|---|
| new curriculum in grade 1-3 | 3 that have been trained on the new language and mathematics curriculum | | prepared by DTE | | |
| Percentage of non Lao-Tai speaking teachers that received in-service professional development on the new curriculum using revised material | Percentage of non Lao-Tai speaking teachers in grade 1 to grade 3 that have been trained on the new language and mathematics curriculum. | Annual | Training records prepared by DTE | DTE | TDE |
| Number of TTCs providing pre-service and coordinating in-service training for all levels of school-education | Percentage of TTCs providing both pre- and in-service training for all levels of school education. This indicator is part of the ESSDP (indicator 22). Currently there is no baseline in the ESSDP. We will update the baseline once this is updated on the ESSDP. | Annual | DTE | DTE | TDE |
| Percentage of mathematics and Lao Language grade 1-3 teachers in target districs showing improvement in rejecting gender bias and challenging gender stereotypes in the classroom | Percentage of teachers in target districts showing improvement in rejecting gender bias and challenging gender stereotypes in the classroom. Measured by a high inference classroom observation tool. | Baseline and bi-annually thereafter | Classroom observation tool | Pedagogical advisers | DTE |
| Teaching the new Grade 1 mathematics and Lao language curriculum effectively | Year 1: (i) Strengthened existing classroom observation tools to become high inference tool aligned | Annual | RIES (Research Institute for Educational | Direct observation | Year 1: RIES/DTE will share the tools and report. Independent verification will be |

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| | to teacher standards and international best practice and feedback protocol, (ii) Baseline report to measure whether teachers are teaching effectively the new curriculum, including details on the psychometric properties of the tool.<br><br>Target Year 4: Additional 20% of teachers in grade 1 improve their effectiveness. | | Sciences)/Department of Teacher Education (DTE) | | conducted.<br>Year 4: RIES/DTE will share the evidence on teachers' improvement. Independent verification will be conducted on a random sample of 200-400 teachers. |
| Number of target districts with at least 80% of schools having a quality public primary school development plans | For each target district determine the proportion of schools with a quality public primary school development plan. Then count the number of districts where >=80%. The Fundamental Quality Standards will be used to determine quality of the School Development Plans. | Annual | Monitoring records | DEBS keep records from school principals | DEBS, DGE and ECU |
| Percentage of public primary schools in target districts receiving GPE III block grants | Having received school block grant. | Annual | Monitoring records from DOF | Verification mechanism | DOF and ECU |
| Percentage of public primary schools whose principals or heads in target districts that have received capacity | Measure the institutional coverage of the training | Annual | **DESB, DOP, IFEAD** | Verification mechanism | **Department of Personnel/DTE** |

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| building on school based management under GPE III | | | | | |
| Percentage of schools in target districts where the principal takes action based on VEDC/parent accountability | This citizen engagement indicator measures the percentage of schools where the school acts on concerns raised by parents/community. | Baseline and every second year thereafter | Impact evaluation of SBGs | Principal survey | ECU |
| Improved data quality, management, and utilization for monitoring and planning | Year 1: LESMIS Platform becomes operational, pulling together data from various MoES databases, producing dashboards and providing access to the platform for all stakeholders<br>Year 3: LESMIS Platform is being used to inform the Joint Sector Review Missions or Annual Sector Report.<br><br>Evidence of LESMIS informing the Joint Sector Review Missions will be measured by whether LESMIS data, dashboards or visualizations are used during the ESWG Technical Meetings of the Joint Sector Review Missions.<br>Evidence of LESMIS informing the Annual Sector Report will be measured by | Annual | MOES, LESMIS, independent verification | Year 1: MOES will share automated LESMIS reports and data files. Independent verification will be conducted through independent verificatio n within 3 months of activity completion.<br>Year 3: MOES will share the evidence.<br>Evidence of LESMIS informing the Joint Sector Review Missions will be measured by whether LESMIS data, dashboards or visualizations are used during the ESWG Technical Meetings of the Joint Sector Review Missions.<br>Evidence of LESMIS informing the Annual | MOES |

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| | whether LESMIS data, dashboards or visualizations are used in the Annual Sector Report. | | | Sector Report will be measured by whether LESMIS data, dashboards or visualizations are used in the Annual Sector Report. Independent verification will be conducted. | |

**Performance-Based Conditions Matrix**

| **PBC 1** | Equity: Districts that are compliant with teacher allocation protocols | | | |
|---|---|---|---|---|
| **Type of PBC** | **Scalability** | **Unit of Measure** | **Total Allocated Amount (USD)** | **As % of Total Financing Amount** |
| Intermediate Outcome | Yes | Text | 1,500,000.00 | 3.20 |
| **Period** | **Value** | | **Allocated Amount (USD)** | **Formula** |
| Baseline | 1 out of 40 districts is compliant | | | |
| December 31, 2021 | | | 0.00 | |
| December 31, 2022 | Revised the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan | | 1,000,000.00 | Not scalable |
| December 31, 2023 | | | 0.00 | |

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| December 31, 2024 | 10 of districts have 30 percent of government primary schools with enough teachers based on the set criteria. | | 500,000.00 | Scalable. Proportional to the number of districts |
| **PBC 2** | Efficiency: Improved data quality, management, and utilization for monitoring and planning | | | |
| **Type of PBC** | **Scalability** | **Unit of Measure** | **Total Allocated Amount (USD)** | **As % of Total Financing Amount** |
| Intermediate Outcome | No | Text | 1,250,000.00 | 2.67 |
| **Period** | **Value** | | **Allocated Amount (USD)** | **Formula** |
| Baseline | No | | | |
| December 31, 2021 | LESMIS Platform becomes operational, pulling together data from various MoES databases, producing dashboards and providing access to the platform for all stakeholders | | 750,000.00 | See below |
| December 31, 2022 | | | 0.00 | |
| December 31, 2023 | LESMIS Platform is being used to inform the Joint Sector Review Missions or Annual Sector Report. | | 500,000.00 | See below |
| December 31, 2024 | | | 0.00 | |
| **PBC 3** | Learning Outcomes: Percentage of teachers that teach the new Grade 1 mathematics and Lao language curriculum effectively | | | |
| **Type of PBC** | **Scalability** | **Unit of Measure** | **Total Allocated Amount (USD)** | **As % of Total Financing Amount** |
| Intermediate Outcome | Yes | Text | 2,500,000.00 | 5.33 |
| **Period** | **Value** | | **Allocated Amount (USD)** | **Formula** |

| | | | |
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| Baseline | No | | |
| December 31, 2021 | Tool and report | 1,500,000.00 | Not scalable |
| December 31, 2022 | | 0.00 | |
| December 31, 2023 | | 0.00 | |
| December 31, 2024 | Additional 20% of teachers in grade 1 improve their effectiveness | 1,000,000.00 | Scalable in proportion to the percentage of teachers that improved their effectiveness |

| Verification Protocol Table: Performance-Based Conditions | |
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| **PBC 1** | Equity: Districts that are compliant with teacher allocation protocols |
| **Description** | Definition: This is a combination of qualitative and quantitative targets. The VP component will finance two deliverables, which are in Year 2 and Year 4. These are linked to system-wide outputs and outcomes; in Year 2 a revised the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan ready for piloting in all 40 priority districts; in Year 4 demonstration of effectiveness of plans across districts as shown by improvement in teacher allocation. Actual implementation and usage of the plans beyond project districts is the government's responsibility and not linked to the PBC. Targets: Year 2: Revised the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan. Year 4: 10 districts, out of the 40 priority districts, have 30 percent of government primary schools with enough teachers based on the set criteria. Disbursement Rule: The PBC is monitored for Years 2 and 4. Total PBC value: USD 1.5 million Year 2: USD 1 million (Estimated delivery: December 31, 2022; estimated verification: March 31, 2023) Year 4: USD 0.5 million (Estimated delivery: December 31, 2024; estimated verification: March 31, 2025) Year 2 target. Not scalable. Target can be met early. Rollover will be allowed for one years. Year 4 target. Scalable. . It is scalable in proportion to the number of districts that achieve having 30 percent of schools with enough teachers. Target can be met early. Rollover will be allowed by one year. Methodology for having "enough" teachers: First, to calculate the total of |

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| | teacher requirement of each public primary school based on the government's five-set criteria. Second, to calculate balance between the number of total requirements and the number of existing teachers (government teachers only, no volunteer teachers). A result greater than zero means that the school needs additional teachers, and less than zero means that the school has surplus teachers. A result that is close to zero means that the school has enough teachers. Finally, using the information in the previous steps, for each of 40 MoES priority districts, we count the number of public primary schools with enough teachers as a percentage of the total number of schools. *The following are the five set criteria: 1)Incomplete primary and complete primary schools with the minimum number of students of 30 or below can recruit 1-2 teachers or Pupil Teacher Ratio 15:1; 2) Incomplete primary and complete primary schools with the minimum number of students of 31-65 can recruit 2-3 teachers or Pupil Teacher Ratio 20:1; 3) Incomplete primary and complete primary schools with the minimum number of students of 66-110 can recruit 3-4 teachers (school principal included if they also teach) or Pupil Teacher Ratio 25:1; 4) Complete primary schools with the minimum number of students of 111-160 can recruit 4-5 teachers or Pupil Teacher Ratio 30:1 (school principal not included but has to teach at least 6 hours per week); and 5) Complete primary schools with the number of students of 161 and above can recruit at least 5 teachers or Pupil Teacher Ratio 35:1 (school principal not included but has to teach at least 6 hours per week). Remarks 1) If the number of students in grade 1 and grade 2 is 42 or above, the can class can be split using the Pupil Teacher Ratio 28:1; and if the number of students in grade 3 to grade 5 is 50 or above, the class can be split using the Pupil Teacher Ratio 33:1; 2) The teachers of English and pedagogical advisors supporting or teaching in a school cluster must be allocated regular teaching hours in a particular school; 3) Upgrading incomplete primary schools into complete primary schools is not allowed if students can still travel to other nearby complete primary schools; 4) For the primary schools with a few numbers of students, teachers and students are required to be transferred to nearby schools; in the case of schools in urban areas, it is not allowed to organize multi-grade teaching; and 5) If the result of divisions contains the decimal number of 0.5 or above, round it to 1. |
| **Data source/ Agency** | MOES proof of decree, data, and independent verification required. |
| **Verification Entity** | MOES proof of decree, data and independent verification required. |
| **Procedure** | Year 2: MOES will share the Ministry Decree.<br>Year 4: MOES will report the data as collected through LESMIS. Independent verification will be conducted through third party verification within 3 months of activity completion to cross-check on a school sample basis (5 percent sample) reported data with school-level reality. |

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| **PBC 2** | Efficiency: Improved data quality, management, and utilization for monitoring and planning |
| **Description** | Definition: This is a combination of qualitative and quantitative targets, financed by VP components. The VP component will finance two deliverables, which are Year 1 and Year 3. These are linked to system-wide outputs and outcomes; in Year 1: LESMIS becoming operational; in Year 3: LESMIS being used for policymaking. Targets: Year 1: LESMIS Platform becomes operational, pulling together data from various MoES databases, producing dashboards and providing access to the platform for all stakeholders Year 3: LESMIS Platform is being used to inform the Joint Sector Review Missions or Annual Sector Report. Disbursement Rule: The PBC is monitored for Years 1 and 3. Disbursement will be made upon achievement of specified targets. Total PBC Value: USD 1.25 million. Year 2: USD 750,000 (Estimated delivery: December 31, 2021; estimated verification: March 31, 2022) Year 3: USD 500,000 (Estimated delivery: December 31, 2023; estimated verification: March 31, 2024) Year 2 target. Not scalable. Can be met early. Rollover allowed by one year. Year 3 target. Not scalable. Can be met early. Rollover will be allowed by one year. |
| **Data source/ Agency** | MOES, LESMIS, independent verification |
| **Verification Entity** | Independent Verification Agency to be identified. |
| **Procedure** | Year 1: MOES will share automated LESMIS reports and data files. Independent verification will be conducted through independent verification within 3 months of activity completion.<br>Year 3: MOES will share the evidence.<br>Evidence of LESMIS informing the Joint Sector Review Missions will be measured by whether LESMIS data, dashboards or visualizations are used during the ESWG Technical Meetings of the Joint Sector Review Missions.<br>Evidence of LESMIS informing the Annual Sector Report will be measured by whether LESMIS data, dashboards or visualizations are used in the Annual Sector Report.<br>Independent verification will be conducted. |

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| **PBC 3** | Learning Outcomes: Percentage of teachers that teach the new Grade 1 mathematics and Lao language curriculum effectively |
| **Description** | Year 1: (i) Strengthened existing classroom observation tools to become high inference tool aligned to teacher standards and international best practice and feedback protocol, (ii) Baseline report to measure whether teachers are teaching effectively the new curriculum, including details on the psychometric properties of the tool. Target Year 4: Additional 20% of teachers in grade 1 improve their effectiveness. Disbursement Rule: Disbursement will be made upon achievement of the |

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| | specified targets. The PBC is monitored for Years 1 and 4. Total PBC value: USD 2.5 million Year 1: $1,500,000 (VP) (Estimated delivery: December 31, 2021; Estimated verification: March 31, 2022) Year 4: $1,000,000 (VP) (Estimated delivery: December 31, 2024; Estimated verification: March 31, 2025) Year 1 target. Not scalable. Can be met early. Rollover allowed by one year. Year 4 target. Scalable, in proportion to the percentage of teachers that improve their effectiveness. Can be met early. Rollover allowed by one year. |
| **Data source/ Agency** | RIES (Research Institute for Educational Sciences)/Department of Teacher Education (DTE) |
| **Verification Entity** | Independent verification entity. |
| **Procedure** | Year 1: RIES/DTE will share the tools and report. Independent verification will be conducted.<br>Year 4: RIES/DTE will share the evidence on teachers' improvement. Independent verification will be conducted on a random sample of 200-400 teachers. |

## ANNEX 1: Implementation Arrangements and Support Plan

**COUNTRY: Lao People's Democratic Republic**
**Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project**

### Project Implementation

1. **The project will continue to build on the existing successful implementation arrangements under FTI and GPE II, with the overall implementation of the project resting with MOES.** The project is expected to be implemented over a five-year period between 2021 and 2026. The DoP will be the lead implementing unit. Under the authority of MOES, the DoP's ECU will coordinate all implementation activities for the project, guided by a Project Steering Committee and a technical interministerial body known as the Project Advisory Council, and supported by a Project Working Group. MOES is the executing agency of the project and has final responsibility for the successful implementation of the project according to administrative, financial, and engineering practices and social and environmental standards.

2. **Project Implementation Manual (PIM).** A comprehensive PIM will be prepared to guide implementation of all project activities by all project implementing entities. The PIM will provide detailed operational guidance, monitoring and reporting mechanisms, fiduciary procedures and requirements, and project documentation. The PIM will be a living document, to be changed from time to time based on mutual agreement with the World Bank, for more effective implementation based on the findings from progress reviews and feedback from monitoring agencies, while adhering to the agreed protocols of the overall project.

### Organizational Structure

3. **Project Advisory Council.**[48] A Project Advisory Council, chaired by the Minister of MOES, will consist of senior representatives of MOES departments, Ministry of Planning and Investment, MoF, Ministry of Foreign Affairs, Lao Women's Union, Lao Front for National Construction, participating provinces and coordinating agencies, and grant agents, as needed. The council will meet once a year to review project progress. In addition, the council will meet when necessary to address policy or cross-sectoral issues outside the purview or authority of the Project Steering Committee.

4. **Project Steering Committee.** The Project Steering Committee will consist of the

- Vice Minister of MOES as chair;
- Director General of the DoP as secretary;
- Directors General of each of the implementing units as members;
- Project director as a member;

[48] The council is required by the GoL for all donor-funded projects.

- Representatives from the Ministry of Planning and Investment and the MoF for the purpose of providing interministerial coordination of project activities; and

- Coordinating agencies and grant agent entity for implementation support and facilitation between MOES and development partners on project implementation progress and issues and between the ESWG and the GPE Secretariat according to the current GPE terms of reference for coordinating agencies and grant agent.

5. **The purpose of the Project Steering Committee is to resolve problems and provide solutions during project implementation that cannot be handled by the ECU and the coordinating departments.** The Vice Minister shall call a meeting of the Project Steering Committee on a quarterly basis or as needed. The functions of the Project Steering Committee are to

- Provide policy and strategy guidance and make key decisions on complex implementation issues in line with the PIM;

- Approve the annual plans, budgets, and reports before submission to the World Bank for approval;

- Review implementation progress and results; and

- Support the line departments in their interface with other concerned government agencies (for example, MoF, Ministry of Planning and Investment, Ministry of Foreign Affairs, Lao Women's Union, MOES departments, and provincial authorities' representatives to assist in facilitating project implementation).

6. **ECU.** The ECU (which is part of the DoP) will provide overall coordination for the project and liaise with the World Bank and other donors. The ECU will consist of

- A project director, with the rank of Deputy Director General;

- A project manager, with the rank of Head of Division;

- One deputy project manager with the rank of Deputy Head of Division; and

- Nine government administrative staff to assist the project director and project manager in day-to-day operations.

7. **The ECU and the implementing units will be accountable for the successful performance of the project and will report through the Director General of the DoP to the Vice Minister in charge of the project.** The main functions of the ECU are to

- Prepare the PIM and obtain approval from the World Bank;

- Ensure that regular policies and strategies are followed as stated in the PIM during project implementation and seek guidance from the Project Steering Committee on complex implementation issues as needed;

- Ensure that all the implementing units carry out their work on time and according to the operational plan;
- Liaise between the implementing units, Project Steering Committee, the World Bank, focal groups on ECE (FG 1), General Education (FG 2), and Education Management and Administration (FG 4), and Education Research (FG 5), and the ESWG and keep them apprised of all important project matters;
- Provide full support and assistance to the implementing units in resolving implementation problems and ensure that all involved understand the World Bank and project procedures;
- Coordinate the preparation of annual budget by each implementing unit, aggregate the budgets into an annual work plan for the project, and secure its approval by the Project Steering Committee and the World Bank;
- Coordinate the preparation of an associated budget for the project, including monitoring its execution;
- Monitor the implementation of the project, the commitments, and disbursements of the proceeds by each coordinating department;
- Supervise compliance with agreed covenants and the fulfillment of the objectives and performance indicators;
- Prepare annual progress reports and transmit them to the decision-making bodies and the World Bank on time;
- Coordinate with the implementing unit and DoF in the preparation of the annual audit of finance and project implementation;
- Coordinate project activities and results with the World Bank and other development partners through the ESWG;
- Assist and provide training to the coordinating departments on all project management matters; and
- Assist and coordinate all aspects of the project to make sure that the project will achieve its PDO, be completed on time, and stay within the allocated budget.

8. **The Project Working Group** is an internal coordination mechanism and facilitates teamwork. It comprises the Deputy Director General of the DoP (chair) as the project director, project manager, and concerned coordinating departments. The Project Working Group meeting is an informal gathering of peers to maintain cohesion as the LEAP team. At the meetings, the appointed Head of the Division from departments can share problems, concerns, and areas of improvement with each other as colleagues in open discussion. The group will meet on a monthly basis and minutes of the meetings will be recorded, circulated, and filed for reference. However, it does not have the authority to make policy decisions regarding the project but instead has the following main functions:

- Make day-to-day administrative decisions on project implementation
- Ensure coordination of project implementation across the various project activities by sharing information among heads of each implementing unit and reporting on progress to the chair
- Contribute to problem solving across the project subcomponents in technical, administrative, financial, and human resource areas related to project implementation
- Ensure liaison and coordination with provincial and district authorities.

9. **Implementing units - a team concept.** Using the matrix approach, MOES will nominate officials from each relevant department of MOES (for example, DoP, Department of Early Childhood Education (DECE), DGE, RIES, DoF, Department of Inspection [DOI], ESQAC, DTE, IFEAD, and DoP) and other concerned MOES agencies). The implementing unit will coordinate and assist in the execution of project activities, with counterpart members nominated in the central, provincial, and district levels, depending on the component. The concerned departments will appoint an implementing unit focal person from the Administrative Division of each department to facilitate project work. In doing so, the implementing unit focal persons will ensure that the concerned DGs understand project activities as well as how these activities are linked to the annual operation plan under the ESSDP.

10. **Given the central focus of SBM under the project, the SBM teams will be set up at two levels—management and technical.** The teams will comprise members from the existing units who will work on SBM-related issues in the ministry and in participating districts to coordinate SBM support activities. The role of this SBM team will be to ensure effective coordination across units and the members will serve in the team but remain in their departments (DoP, DECE, DGE, DoF, DoP, DTE, IFEAD, DOI, and ESQAC), with involvement from the ESITC.

11. **MOES will assign focal points from each relevant implementing unit.** These focal points from the administrative division will coordinate with the ECU regularly and will take lead responsibility for technical oversight of their area of project responsibility. In particular, the focal points from the implementing units involved in Component 1 will be members of the national SBM team and will be actively involved in forming and training the national team and those at the provincial and district levels. They will liaise with the project director and with staff from their implementing unit to ensure project coherence. Each implementing unit will ensure that sufficient staff, time, and other resources are available to meet project implementation timetables.

12. **Provincial project implementation directors will be appointed to lead the provincial implementation teams.** Officials working on the project located at the central, provincial, and district levels are part of the larger implementing unit team for their respective subcomponents. Counterparts for the implementing units will be nominated at these levels and their responsibilities for subcomponent activities will be clearly identified. This arrangement is intended to integrate subcomponent implementation activities across administrative levels while maintaining the cohesion of the implementing units for planning and monitoring. Implementation progress of the project will be reported at regular monthly meetings at all levels.

13. **Under the guidance of the implementing units for each of these components, project officials in the PESS offices will provide leadership, support, and oversight during implementation.** Nominated officials in the DESB will support VEDCs and schools in implementing all project activities.

14. **On matters regarding the project, all focal points will liaise with their departments and report to the project director on progress against the project work plan.** Each implementing unit will continue to monitor performance of its staff, coordinate staff assignments between the project and other donor projects, ensure technical and quality oversight of its staff, and provide staff development. However, for staff assigned to the project, the implementing units instruct those staff to coordinate with the ECU. Coordination of day-to-day project operations lies solely with the project director and project manager. Broader project responsibility and oversight lies with MOES through the Project Working Group.

15. The implementing units are responsible for the planning and implementation of their respective project subcomponents. They will

- Prepare annual work plans and budgets of the subcomponents under their responsibility, which are already integrated in their existing annual costed sector plan;
- Ensure timely execution of their work plans toward the achievement of component objectives;
- Prepare and submit the financial report to the DoF through the ECU as soon as possible;
- Prepare quarterly progress reports and submit to the ECU through their respective departments;
- Coordinate the associated inputs and activities within the related component;
- Provide support to the PESS and DESB offices in their specific subcomponent activities;
- Prepare terms of reference for consultants and studies; and
- Coordinate with other implementing units as needed through the ECU.

16. Initially, central-level implementing units will take responsibility for mobilizing, training, and assisting the PESS and DESB counterparts to undertake all planning for implementation. After this time, they will provide support to and oversee the work of the PESS and DESB offices, providing ongoing training and support, funding, setting of targets, M&E, and continuous improvement of management arrangements.

17. **M&E.** M&E will take place at different levels with an overall objective of supporting the existing systems to monitor project activities. LEAP will build on GPE II's M&E system and enhanced system strengthening and data collection, reporting, and dissemination at all levels.

- **At the sector level,** the project will continue the support provided under GPE II to develop the M&E network and the Performance Appraisal Framework (PAF), which is used to measure ESSDP progress. It will coordinate with UNICEF and the EU, which support allied

activities. The project will support MOES to strengthen the PAF for the ECE subsector, basic education subsector, and other subsectors, particularly those aspects known to have a significant impact on learning in schools, such as lesson planning and homework. The project will finance technical assistance to further develop the assessment framework and monitor sector indicators, including impact evaluation on the RRP, and improve the system of classroom assessments.

- **At the project level,** data used to monitor project results will be regularly collected from the EMIS and the education financial reporting system from the DoF. When indicators are not available in these systems, the project will support the addition of new indicators to the existing systems when possible. Improvements in reading skills will be measured through an impact evaluation design that incorporates a baseline and an end line early grade reading assessment in participating schools, complemented by the SSME tool to capture changes in teacher, principal, pedagogical adviser, and VEDC behavior because of project activities. In addition, the project will support monitoring of activities and outputs for each component. For example, under the SBM component, the project will help build a system to promote school accountability by disclosing credible and reliable student performance data. Relevant outcome indicators will be disaggregated by gender when possible. The DoP's, DGE's, and DoF's respective M&E divisions will lead this effort. The reporting of project progress will be incorporated into the ESSDP PAF operational cycle, including annual joint sector reviews with development partners and routine dissemination and discussion of findings through the Education Sector Working Group Focal Group 5 on research. Furthermore, project progress will be reported at the annual education sector conference. The DOI will be responsible for collecting all the information from different sources on time according to the PAF operational cycle and will compile the data and publish an annual report on education statistics of the country in its EMIS. MOES will track education progress through a set of monitoring indicators in line with FQS that are related to students, teachers, and school inputs.

- **At the district and province levels**, DEBS will aggregate the data from the schools and report to PESS and in turn PESS will aggregate DEBS data and report to the DOI.

- **At the school level**, the school director will compile data on enrollment and indicators of FQS, while teachers will compile data on student performance on school-based tests. These data are reported to DEBS. The school directors and pedagogical advisers will also capture routine data collection on teacher progress on following the teacher guides effectively.

- **Verification will vary by PBC.** In cases pertaining to decrees being issued, verification will be based on a copy of the decree being made available by MOES. In other cases, an IVA will be hired by MOES and selected competitively based on terms of reference acceptable to the World Bank, to undertake performance audits and to confirm that agreed PBCs have been achieved. Validation of achievement of all PBCs will be done by the World Bank. MOES will select an IVA within three months of effectiveness.

18. **Annual review process.** The ESSDP PAF is the overarching sector review mechanism for both MOES and development partners. In accordance with the objectives of the Vientiane Declaration, it is slated to become the single mechanism for review in the medium term.

19. The MoF will receive funds disbursed by the World Bank according to the terms of the Financing Agreement. It will be responsible for making the appropriate resources available to MOES so that key interventions can be undertaken for meeting the PDO and the PBCs in a timely, efficient, and effective manner.

**Financial Management and Disbursement Arrangements**

20. The FM assessment was carried out in accordance with OP/BP10.0 to determine if the existing capacity and FM arrangement within the DoF and the ECU of MOES is adequate for the project. The assessment concludes that the FM arrangements for the overall project will be deemed adequate and acceptable and will meet the requirements of OP/BP10.0 once the proposed mitigation measures are implemented.

21. **The overall FM risk is assessed as Substantial**. The main risks identified are the following:

(a) Overstretching of the DoF staff capacity, in some cases, due to increased workload could delay transaction processing and financial reporting.

(b) Low capacity at the school/community, district, and provincial levels could increase the risk of funds not being used for the intended purposes.

(c) Limited staff capacity at the school/community, district, and provincial levels could increase the risk of delay in reporting of expenditures from the district/provincial to the central level, resulting in untimely financial reports.

(d) Weak coordination between the ECU, DoF, and other departments within MOES could result in inability to liquidate advances on time and monitor and provide timely financial status and commitments.

22. **Proposed mitigations measures include the following:**

(a) Recruiting one finance management officer and two project accountants to support the FM work and for the day-to-day liaison with the DoF staff. The recruited FM staff will also help the DoF follow up on advances and improve IFR preparation on time.

(b) Assigning, from the existing pool of DoF staff, qualified and experienced staff to support the project FM responsibility and build capacity.

(c) Having in place an improved and acceptable Financial and Administrative Manual (FAM) that includes strengthened control on monitoring, improved system for follow-up for timely advance liquidation, and penalty for non-compliance.

(d) Providing periodic support to provinces, districts, and schools that have difficulties in the management of funds and reporting of expenditures, among others.

(e) Providing training to staff at all levels of implementation, including the school/community, once the project is effective and continuously ensuring their understanding of the

procedures and ability to complete the required financial records and submitting reports on time.

(f) Auditing a sample of SBGs and other districts grants (at least 10 percent) as part of the project's annual financial audit by external qualified auditors with terms of reference acceptable to the World Bank. According to the World Bank Access to Information Policy, audit reports will be made public.

23. The assessment concludes that the FM arrangements for the overall project will be deemed adequate and acceptable and will meet the requirements of OP/BP10.0 once the proposed mitigation measures have been implemented.

24. **FM organization and staffing.** Currently, the DoF accounting, budget, and finance control divisions provide accounting, disbursement, and financial reporting support to the ECU. The same staffing structure at the central, provincial, and district levels that was set up under GPEII will remain in the GPE III LEAP. The FM officer and project accountants to be recruited will support the DoF staff to closely monitor advances for timely clearance, review the project expenditures to ensure that they are charged to the correct component/activity, and ensure consistency of financial reports. Jobs description, roles, and responsibilities of financial staff at the central, provincial, and district levels are included in the FM Manual. Refresher training shall be organized and finance staff at all levels shall be trained on the applicable procedures for the new activities, as deemed appropriate, before implementation.

25. **Budgeting and planning.** The ECU will remain responsible for the overall preparation of the annual budget. For the purposes of the project, the annual budget will be prepared in accordance with the approved annual work plan and with sufficient details by project component/subcomponents and by source of funds following the required format in the PIM. The annual budget will cover the GoL fiscal year, that is, January to December. The budget shall also be divided into quarters and, as part of monitoring, compared with actual expenditures on a quarterly basis. Any significant variances between the budget and actuals expenditures will be explained in the semester IFR and the information used to review and revise budget accordingly. Review of budget may take place at least every six months. The quality and timeliness of budgeting and forecasting will be strengthened as part of the support provided by the recruited FM officer under the ECU. The six-month forecast will facilitate the use of variable ceiling of the DA. The FAM shall elaborate the process and timing for the preparation and approval of the annual budget and forecast. The annual budget is subject to approval by MOES and the World Bank. Approval is required for any subsequent revisions for increase or decrease in the overall annual budget.

26. At the provincial level, PESS is responsible for coordinating budget plans for DEBS and school/community involved within PESS responsible for vertical programs. The provincial budget is certified by the Administration section and approved by the PESS Director before submission to the provincial finance office and MOES. MOES then consolidates and submits to the MoF for onward submission and approval by the National Assembly. Once the budget is approved by the National Assembly, MOES announces the budget allocation to the provinces. In some cases, the budget may need to be adjusted to fit the overall approved envelope. Although, budgeting follows a bottom-up approach, there are some challenges, including limited guidance on budget preparation, education sector priorities to be achieved and limited ability to combine or link budget to physical or output information in the budget plan. These challenges will be addressed in the short term through detailed procedures and

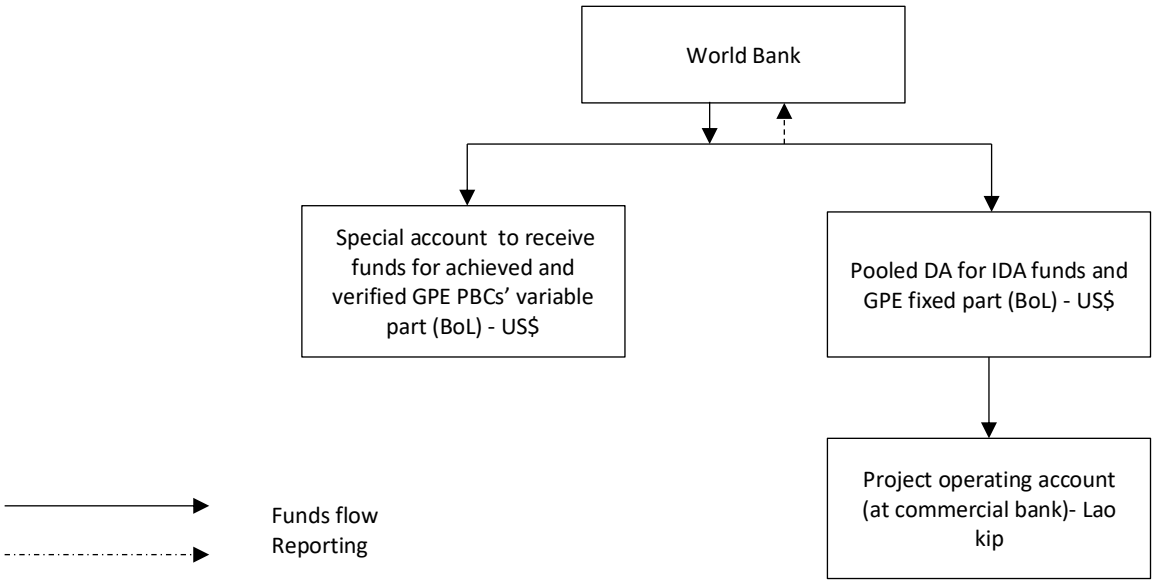
guidance on budgeting for all levels as part of the PIM. The use of one formula and arriving at figures for each province without identifying sources of financing will avoid duplication.

27. **Funds flow.** Under the government system, funds are withdrawn from the respective treasury. At the central level, it is through the National Treasury. Withdrawals are made through the government financial information system (GFIS), that is, a request is prepared and approved in the system. However, not all spending units have such facilities. Challenges identified include delay in disbursement of funds due to inability to submit expenditure report on time and delay in the approval of budget and availability of cash at treasuries at each level. To overcome these issues, clear procedures on approval and submission of reports will be outlined in the PIM and an account will be opened at the provincial level specifically to receive and make available funds at the provincial level as part of the arrangements under the project.

28. **Flow of funds to the MoF.** It is envisaged that one pooled DA denominated in US dollars will be opened at the BoL managed by Treasury of the MoF to be used to support implementation of all non-PBC components activities (fixed part). The GoL/MOES will also open a second account (special account) at the BoL, which will also be managed by the Treasury of the MoF and will be used to receive funds once PBCs have been achieved and results verified. The disbursement for this variable part will be on the basis of reimbursement for MOES's incurred and financed expenditures. It is expected that this bank account will ensure easy verification that these funds are additional to MOES's budget funding from the GoL.

29. The DA for non-PBCs components (fixed part) of the project will be based on traditional input-based disbursement. The DA will support technical assistance and other activities under the project, which will be input based, and payments made as advances into the DA will require the funds to be accounted for and reconciled on regular basis. The DA will have variable ceilings based on an approved six-month forecast. Applicable disbursement methods include (a) advance, (b) reimbursement, (c) direct payment, and (d) special commitment. Reporting of expenditures paid from the DA will be based on submission of SOEs. Frequency of reporting of expenditure will be every three months. The minimum application value for direct payment and reimbursement will be US$100,000. An operating account denominated in Lao kip will be opened at a commercial bank to facilitate day-to-day payments, which will be managed by MOES.

**Figure 1.1. Funds Flow**




**Disbursement Arrangements**

30. For operating costs, a project operating account will be opened at commercial bank with a ceiling of US$100,000. This ceiling can be revised based on the implementation experience and approval by the MoF in accordance with the MoF regulations. Large payments should be paid from the DA or through direct payment. Funds flow arrangement under GPE II to participating provinces will remain in place. The existing bank accounts at the provincial, district, and school/community levels will continue to be used. The accounts will receive funds in accordance with the expenditure forecast. Reporting on the use of funds shall be monthly. Detailed requirements and procedures for requesting and reporting of funds used shall be elaborated in the FAM. Transfers to the provincial bank account will be maintained in Lao kip and managed by PESS. The provincial bank account will be used to receive and replenish eligible operating expenditure for PESS and serve as a pass-through account for sub-grants funds. For the SBG funds, the same structure and arrangement will be used. Funds will flow from the DA to the school bank account as most, if not all, schools now have opened a bank account for this purpose. Procedures on receiving and reporting of the sub-grant funds will be elaborated and adapted in the respective sub-grants manuals to ensure that funds are used for intended purposes. The manuals will be reviewed, revised, harmonized, and acceptable to the World Bank.

31. For PBCs (variable part), funds will be transferred from the MoF to MOES central, provincial, and below following the GoL funds flow procedures. However, the ensure sufficiency and timely release of funds, a bank account at the provincial level is required to be opened specially to receive transfer of funds from the MoF. Once the fund is received into the provincial account, PESS will make transfers to levels below them according to the approved budget. For transfer to PESS and MOES central, the amount will be based on the value of the related PBCs achieved and independently verified. Based on the verification report, MOES will request the MoF for the transfer for each related level.

32. PBCs have been costed based on expenditures and may include expenditures such as training and workshops, goods, non-consulting services, consulting services, operating costs, and in exceptional cases,

recurring expenditures in line with MOES's budget line Part 63 'training', Part 66 'goods', and/or Part 67 'consultants' (except non-transitional salaries).

33. When deciding on the amount to be disbursed based on PBCs' achievement, a discrepancy of up to 5 percent between the internal the external verification will be accepted as having achieved the target. In the case of partial achievement of a PBC target, a minimum value of 60 percent of the PBC target must be achieved to qualify for payment.

34. PBCs are conditionals of performance. In the case where the achievement of PBCs has not been met, a refund will be due to the World Bank even if the expenditures have been incurred. Verification will vary by PBC. In cases pertaining to decrees being issued, verification will be based on a copy of the decree being made available by MOES. In other cases, an IVA will be hired by MOES to undertake performance audits and confirm that agreed PBCs have been achieved. Validation of achievement of all PBCs will be done by the World Bank.

**Table 1.1. Disbursements against Expenditure Categories**

| Category | IDA (US$) | GPE (US$) | Financing |
|---|---|---|---|
| Goods, works, non-consulting services, consulting services, CCDG grants, school block grants, operating costs, and training and workshops under Part 1 and Part 3 of the project | 27,480,000 | | 100% |
| Goods, works, non-consulting services, consulting services, operating costs, and training and workshops under Part 2 of the project (fixed part) | 2,520,000 | 11,650,000 | IDA 18%/ GPE 82% |
| PBC financing (Part 2 and Part 3 of the project - variable part) | | 5,250,000 | 100% |
| **Total** | **30,000,000** | **16,900,000** | |

35. **Operating cost** means reasonable costs required for the day-to-day coordination, administration, operation, and supervision of project activities, including leasing and/or routine repair and maintenance of equipment; facilities and office premises; fuel, office supplies, and consumables; communication expenses (including postage, telephone, and internet costs); translation, printing, and photocopying expenses; bank charges, publications, and advertising expenses; travel insurance; project-related meeting expenses; project-related travel, subsistence, and lodging expenses; and other administrative costs directly related to the project but excluding consulting fees and salaries, bonuses, fees, and honoraria or equivalent payments of members of the recipient's civil service.

36. The project will have a disbursement deadline date (final date on which the World Bank will accept application for withdrawal from the recipient or documentation on the use of the credit and grant proceeds already advanced by the World Bank) of four months after the closing date of the project. This 'grace period' is granted to permit orderly project completion and closure of the credit and grant account through submission of applications and supporting documentation for expenditures incurred on or before the closing date. Expenditures incurred between the closing date and disbursement deadline date are not eligible for disbursement. All documentation of expenditure forwarded to the World Bank for disbursements will be retained and will be made available to the external auditors for their annual audit, and to the World Bank and its representatives, if requested. In the event that the auditors or the World Bank ISMs find that the disbursements made were not justified by supporting documentation (including unaudited IFRs, SOEs, and PBCs' reports) or are ineligible (due to underachievement of PBCs), the World

Bank may, at its discretion, require the recipient to (a) refund an equivalent amount to the World Bank or (b) exceptionally provide substitute documentation evidencing other eligible expenditures.

**Internal Control and Accounting Procedures**

37. There are instructions issued by the MoF departments, in particular the National Treasury, in relation to making and requesting payments. But payment procedures and internal controls systems are not documented in a single manual at all levels. There are also internal approval procedures to control expenditures individually developed and may differ from one place to another. Although, there appears to be written job descriptions, the roles and responsibilities, line of reporting, and limits of authority are not well defined. Moreover, there is no clear segregation of duties, especially in places where staff numbers are limited. The bank reconciliation and system of safeguard of assets are also not fully practiced, especially at the provincial and district levels.

38. The FM policies and procedures are documented in the FAM and have been acceptable for use under the GPE II and ECE projects. The same FAM will need to be reviewed and updated appropriately to reflect the specific details of this project and the new activity process and requirements under PBCs. For non-PBCs' activities, procedures as detailed in the FAM will be followed.

39. **The SBG manual will need to be reviewed, updated, and submitted to the World Bank for review and approval by effectiveness.** Cash basis of accounting will be used by the project to prepare financial statements. The project will continue to use the ACCPAC accounting software with some reconfiguration for use in the GPE III project.

40. **Document retention.** The original supporting documents will be retained where transactions occur during the life of the project or until at least the later of (a) one year after the World Bank has received the audited financial statements covering the period during which the last withdrawal from the credit was made or (b) two years after the closing date.

41. **Recording and reporting.** The Government system uses the GFIS to record expenditure and produce the budget expenditure implementation report. At the provincial and district levels, the GFIS or Excel is used. For the purpose of the project, an annual education sector budget expenditures implementation report will be required to be submitted to the World Bank for disbursement of PBCs' activities. Therefore, this report must be prepared and provided to the World Bank on time to avoid disbursement delay.

42. For non-PBCs' activities, the ACCPAC accounting software will be used to record financial transactions. Transactions must be recorded by component and disbursement category. The project will follow the GoL fiscal year (January to December). The unaudited IFR will be prepared by the ECU and DoF in accordance with the agreed format reporting on receipts and expenditures of all source of funds (credit and grant). Each IFR will cover the period of six months (semester) and will be submitted to the World Bank no later than 45 days of the end of each semester. The IFR will report at the minimum receipts, expenditure and fund balances, and use of funds by project component and activities. Variance analysis between the actual and budgeted expenditures will be performed and reported as part of the IFR. The format of the IFR will be discussed and confirmed before or at negotiations. At the end of each fiscal year, the ECU and DoF will prepare annual financial statements for the project audit.

**Procurement**

43. **Procurement capacity and risk assessment.** Procurement risk is assessed as Moderate. A procurement capacity and risk assessment of the ECU conducted by the World Bank identified the following procurement risks: (a) lack of experience with World Bank Procurement Regulations that may lead to delays and noncompliance, (b) weak coordination between the ECU and other departments within MOES and with other line ministries that could result in delays, (c) limited experience in hiring an IVA, (d) governance risks associated with conflict of interest, and (e) COVID-19 pandemic and travel restrictions may delay procurement and contract implementation. To mitigate the risks, the following actions are recommended, some of which are already being implemented by MOES during the GPE II implementation:

(a) Procurement training and advice have been provided to ECU staff.

(b) A full-time national procurement consultant has been hired from GPE II and will continue to provide procurement support to LEAP.

(c) To ensure that capacity is built and sustained within MOES, the ministry will assign government staff to work alongside the consultants.

(d) The PIM will be updated to clearly define roles and responsibilities and strengthen the coordination arrangements between the ECU and other implementing units and line ministries to ensure well-coordinated implementation.

(e) Selection and contract implementation of the IVA will include key performance indicators to allow monitoring of performance and addressing of issues that arise in the course of contract implementation.

(f) Use of the World Bank's suggested procurement flexibilities during the COVID-19 period.

**Procurement Strategy and Procurement Approach**

44. The ECU has prepared this PPSD for the Lao PDR GPE III Project, with support from the World Bank team, and the document (available in separate project files) will be agreed with the World Bank before negotiation. The PPSD presents how procurement activities will support the development objective of the project and deliver the best value for money under a risk-based approach. In addition, the PPSD includes the rationales for procurement decisions, including the selection of the approach to market and procurement methods. The PPSD and the Procurement Plan of the project shall be regularly updated, as appropriate, during project implementation.

45. The PPSD identified two consulting service procurement activities, which are considered as moderate risk. One is the IVA (estimated budget of US$400,000). An IVA will be hired by MOES to undertake performance audits and verify that agreed PBCs have been achieved. The IVA report will provide external validation for key performance data and implementation activities and provide independent confirmation of results reported by MOES. The second one is the SBG midterm review with an estimated cost of US$300,000. The remaining consulting services activities are mostly small scale, with cost estimates below US$100,000 for international and national technical expertise.

46. The PPSD analysis concluded that most of the small assignment services could be carried out by national consulting firms, and the national approach will be considered as appropriate for assignment using the Consultants' Qualifications Selection (CQS) selection method. For contracts with individuals for some positions that do not require international experience and for which there are individuals with the qualifications and experience in the national market, the national approach would be used. The international market approach should be considered for contracts that need international experience, in which case hiring international consultants would be beneficial for project implementation.

47. There will be one large-value procurement activity of office equipment (US$835,900), which would be considered as moderate risk. This includes 299 desktop computers, 162 laptop computers, 11 photocopiers, 18 projectors, 24 video cameras, and 16 hard disks. The equipment is available in Lao PDR and neighboring countries. The remaining budget of the project will finance procurement of goods such as toy libraries, playgrounds, tablets, vehicles, motorcycles, and office equipment and furniture and printing and purchasing of story books. The market research as part of the PPSD showed that there are sufficient potential suppliers/contractors in the country with the capacity to supply this type of goods. Therefore, it proposes to use the request for bids method for contracts costing US$600,000 and above, the national market approach for contracts between US$100,000 and US$600,000, and the request for quotations method with a national market approach for contracts less than US$100,000.

48. **Procurement Plan.** Based on the PPSD, an initial Procurement Plan covering the first 18 months of project implementation has been developed and will be agreed with the World Bank no later than negotiations of the credit. The initial Procurement Plan is available as a separate project document that will be updated at least annually, or as needed, to reflect the current status of implementation of each procurement activity/contract or to modify/delete or add activities/contracts. Updates of the Procurement Plan will be submitted to the World Bank for its review and approval before implementation. Contracts below the prior review thresholds as captured in the approved Procurement Plan shall be subject to post review by the World Bank team on an annual basis, in accordance to the procedures set forth in the Procurement Regulations. The sampling rate of post review is at least 10 percent of the total World Bank-financed contracts awarded across the World Bank portfolio that have not been subject to prior review by the World Bank.

**Implementation Support Plan**

**Strategy and Approach for Implementation Support**

49. Implementation support is a core element of the proposed partnership between the GoL and the GPE under LEAP. The implementation support plan has been designed to (a) improve monitoring and evaluating results in the field, (b) facilitate the timely implementation of risk mitigation measures, and (c) provide implementation support on the capacity risks related to sectoral and technical aspects of the project and those related to fiduciary concerns. Intensive supervision missions, frequent review of the implementation plans, and diligent follow-up with MOES will help improve its management capability. Additionally, ISMs will provide the project with external procurement oversight. The implementation support plan is founded on semiannual intensive supervision missions and continuous sectoral and technical oversight. The plan covers the dimensions detailed in the following paragraphs.

50. **ISMs.** Implementation support from the development partners and the World Bank will be provided through ISMs conducted every six months. These missions will be conducted in collaboration

with MOES. At least one of these missions each year will include field visits. MOES will prepare a detailed six-month implementation report to be shared with the World Bank one month before the ISM.

51. **Composition of the World Bank implementation support team.** The World Bank team consists of an education specialist/task team leader, a local specialist, an operations officer, a social development specialist, an environmental specialist, an FM specialist, and a procurement specialist.

**Table 1.2. Main Focus of Implementation Support**

| Time | Focus | Skills Needed | Resource Estimate (US$) |
|---|---|---|---|
| First 12 months | ECE | ECE specialist | 150,000 |
| | Literacy | Literacy specialist | |
| | Teachers | Teachers specialist | |
| | SBM | SBM specialist | |
| | FM | FM specialist | |
| | Procurement | Procurement specialist | |
| 12–36 months | ECE | ECE specialist | 450,000 |
| | Literacy | Literacy specialist | |
| | Teachers | Teachers specialist | |
| | SBM | SBM specialist | |
| | FM | FM specialist | |
| | Procurement | Procurement specialist | |

**Table 1.3. Skills Mix Required**

| Skills Needed | Number of Staff Weeks | Number of Trips (per year) |
|---|---|---|
| Task team leaders - economist/education specialist | 7 | 2 |
| Education analyst | 5 | 2 |
| ECE specialist | 5 | 2 |
| Teachers specialist | 5 | 2 |
| SBM specialist | 5 | 2 |
| FM specialist | 5 | 2 |
| Procurement specialist | 5 | 2 |
| Social development specialist | 2 | 2 |
| Environment specialist | 2 | 2 |

## ANNEX 2: GPE Variable Part Information

**COUNTRY: Lao People's Democratic Republic**
**Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project**

**(PBC 1) Equity: Reduce disparities in teacher availability across schools in priority districts**

**Indicator: Number of districts that are compliant with teacher allocation protocols[49]**

1. **Rationale.** Teachers are the single most important school-based resource influencing student learning gains: without teachers, students cannot learn. Yet, in 2019–2020, approximately 42 percent of schools in Lao PDR faced teacher shortages. At the same time, approximately 40 percent of schools reported teacher surpluses. Surplus schools are in better-off locations, making them more attractive for teachers. The disparity between deficit and surplus schools in the availability of teachers has amplified the disparity in the learning experience of students, as described in the midterm evaluation of the ESSDP (2016–2020). The forthcoming ESSDP (2021–2025) focuses on improving teacher allocation as a key mechanism for reducing disparity in the quality of education and learning (Part 1, Outcome 3, Intermediate Outcome 3.4). However, as noted in ESSDP (2021–2025), "Teacher redeployment is possible within school clusters, challenging within district but reported to be impossible across districts." District-level data suggest that ensuring proper teacher allocation is indeed challenging. Currently, *none* of the 148 districts in Lao PDR has even 50 percent of schools with exactly the number of teachers it needs. The average district has only 17 percent of schools with exactly the number of teachers they need. This number reduces to 16.6 percent of schools in the 40 priority MOES districts. This creates considerable disparity in the learning opportunities available to students in schools with enough teachers and those without enough teachers.

2. Inequitable teacher allocation in Lao PDR also suggests inefficient resource allocation, but the ultimate casualty is equity: leaving gaps in teacher-deficit and teacher-surplus schools unaddressed disadvantages certain types of schools and students, specifically, remote rural schools, which are also the ones more likely to have non Lao-Tai speaking students. Importantly, the ESSDP (2021–2025) highlights improved availability of teachers in deficit schools as a priority, because making teachers available in such schools is critical for equitable access to education and learning opportunities. Consequently, the project has identified reducing disparities in teacher availability as a critical equity indicator to be supported by the variable part.

3. **Proposed variable part strategy/actions.** There are several underlying causes for gaps in teacher availability. These include absence of rotational element in teacher allocation guidelines, weak incentives at the district level to ensure better deployment, challenge of small schools and limited political appetite for consolidation, weak systems to monitor compliance with new guidelines, fewer teachers entering the system than lost through attrition, and complex political economy. The variable part strategy will focus on the design and implementation of a district incentive plan, to be piloted in MOES's 40 priority districts. Those 40-priority districts represent one third of the total number of schools in Lao PDR, with 2,563 primary schools, out of the total 8,517. They are almost all located in predominantly ethnic areas and according to sub-national consultation feedback, in the poorest areas with many small dispersed villages

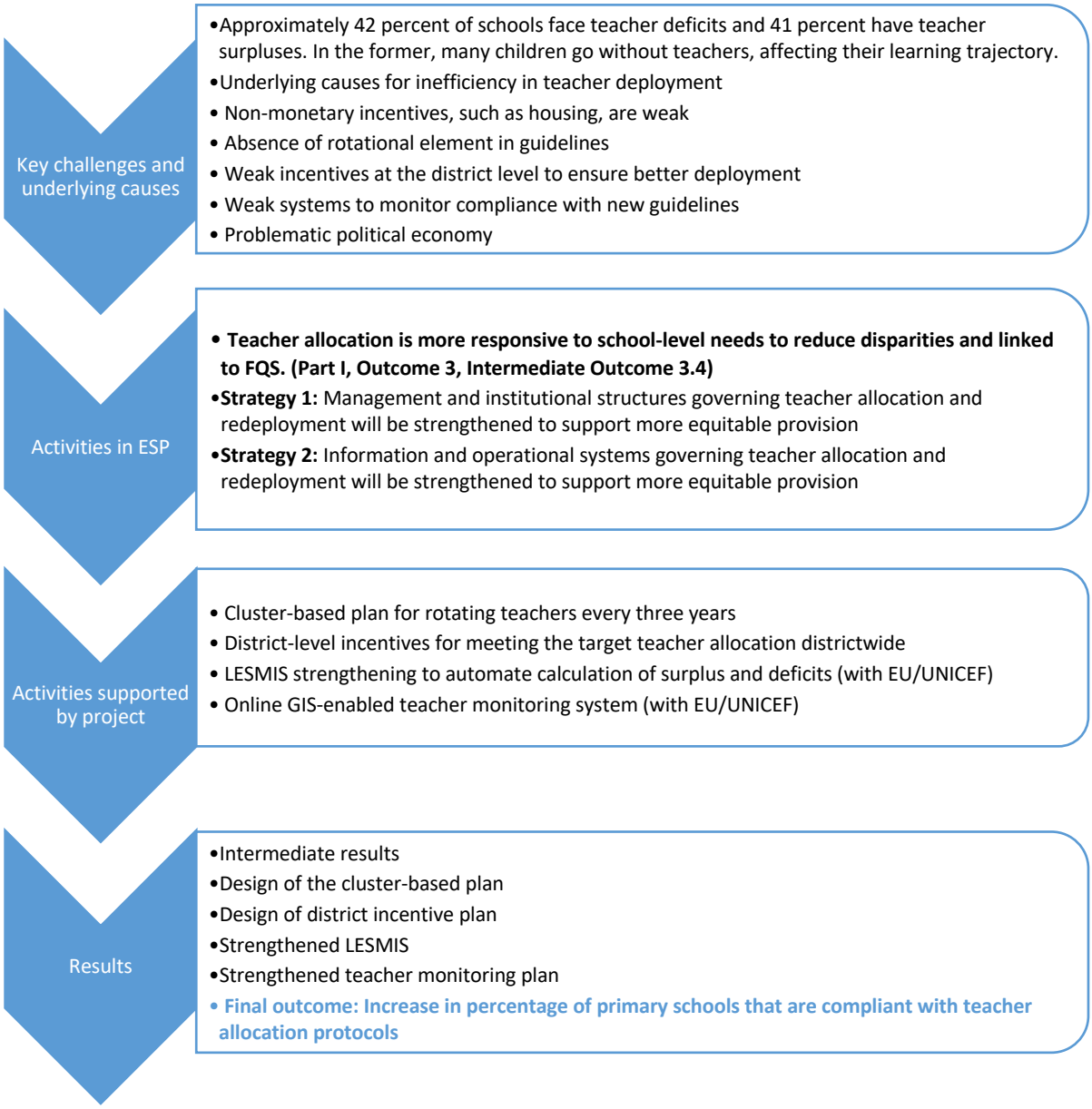
[49] Teacher allocation protocols are based on pupil-teacher ratios in schools as detailed in the Annual Teacher Requirement Planning Guidelines (2018).

remote from each other. The goal of the strategy is to increase the number of schools with enough teachers in a significant share of schools in the district. In particular, it would help to go from just 16,6% of schools with enough teachers to having at least 10 of the 40 priority districts with 30 percent of primary schools with enough teachers. There is currently no incentive at the district level, which manages teacher redeployment, to ensure improvement in teacher allocation within a given district. Such an incentive plan will delineate (if applicable) a cluster-based plan for teacher allocation as well as strategies for school consolidation. Implementation of this plan, alongside the newly strengthened LESMIS automating calculation of teacher surpluses and deficits more quickly and accurately, will allow for improved teacher allocation.

4. **Expected transformation or system-level change.** Reducing the disparity in teacher availability between surplus and deficit schools will have a transformative effect on students in deficit schools by ensuring such students benefit from well-trained teachers (learning indicator) and can achieve their learning goals. The EU is currently providing the GoL with budgetary support to improve teacher allocation, but the support is expected to close in 2021. While the EU's support has been key in ensuring the challenge of teacher allocation gets policy attention, it does not provide districts with any incentive to improve teacher allocation. As the GoL has begun to address core challenges in teacher allocation due to the EU, the proposed variable part can play a key role in strengthening the ongoing initiatives further by ensuring district-level incentives. Addressing the challenge at the district level is more likely to help achieve the goal of more equitable teacher allocation at a system level. To advance the variable part, MOES will need to continue undertaking several system-level changes, including revising a ministry decree on district-level incentives to ensure better teacher deployment and strength LESMIS. The project will pilot the district-level incentive plan in the 40 MOES priority districts, which have one-third of all schools in the country, and thereby generate lessons for all districts on the factors facilitating the success (or not) of such incentives. The recent reduction in teacher quotas, coupled with teacher retirement, has led to a situation where teachers exiting the system are not being matched by new entrants. This is likely to be exacerbated by reduction in teacher hiring quotas, likely to be made worse in the aftermath of COVID-19. Without the current intervention, it is likely that deficit schools will fall further and further behind, reducing the likelihood of system-level improvement in teacher availability and student learning.

5. **Justify the 'stretch'.** Only 16.6 percent of schools in 2020 in the average district had adequate numbers of teachers in 2019–2020. As noted in the ESSDP (2021–2025), "Teacher redeployment is possible within school clusters, challenging within district but reported to be impossible across districts." Teachers in Lao PDR receive generous financial incentives to teach in remote, rural schools, yet the uptake is low. Furthermore, there are political economy constraints that make it difficult to reallocate teachers from surplus to deficit schools. These factors have made addressing equitable teacher allocation a long-standing challenge in Lao PDR, and therefore, a stretch. By supporting suitable incentive plans at the district level, which draw upon generating political will and improved data systems, this indicator has the potential to address a challenging political and technical issue in most countries.

**Figure 2.1. Theory of Change and Applicable Intermediate Indicators**




*Note:* ESP = ; GIS = Geographic Information System.

**Definition of Targets**

**Definition**

6. This is a combination of qualitative and quantitative targets. The variable part component will finance two deliverables, which are in Year 2 and Year 4. These are linked to systemwide outputs and outcomes. In Year 2, revise the existing ministerial decree to enhance the regulation for teacher allocation and introduce an incentive plan ready for piloting in all 40 priority districts and in Year 4, demonstration of effectiveness of plans across districts is shown by improvement in teacher allocation. Actual

implementation and usage of the plans beyond project districts are the Government's responsibility and not linked to the PBC.

**Targets**

- Year 2: Revise the existing Ministry Decree to enhance the regulation for teacher allocation and introduce an incentive plan.
- Year 4: 10 districts, out of the 40 MoES priority districts, have 30 percent of government primary schools with enough teachers based on the set criteria.

7. **Methodology to compute enough number of teachers.** First, calculate the total requirement of teachers in each public primary school based on the five criteria set by the Government.[50] Second, calculate the balance between number of total requirements and number of existing teachers (government teachers; volunteer teachers are not counted). A result more than '0' means that the school needs additional teachers, and less than '0' means that the school has surplus teachers. A result that is close to '0' means that the school has enough teachers. Finally, using the information in the previous steps, the number of public primary schools with enough teachers at the district level over the total number of schools is counted. It is scalable in proportion to the number of districts that achieve compliance.

**Disbursement Rule**

- PBC is monitored for Years 2 and 4.
- Total PBC value: US$1.5 million.

[50] The following are the five set criteria: (a) incomplete primary and complete primary schools with the minimum number of students of 30 or below can recruit one to two teachers or pupil-teacher ratio of 15:1; (b) incomplete primary and complete primary schools with the minimum number of students of 31–65 can recruit two to three teachers or pupil-teacher ratio of 20:1; (c) incomplete primary and complete primary schools with the minimum number of students of 66–110 can recruit three to four teachers (school principal included if they also teach) or pupil-teacher ratio of 25:1; (d) complete primary schools with the minimum number of students of 111–160 can recruit four to five teachers or pupil-teacher ratio of 30:1 (school principal not included but has to teach at least six hours per week); and (e) complete primary schools with the number of students of 161 and above can recruit at least five teachers or pupil-teacher ratio of 35:1 (school principal not included but has to teach at least six hours per week).
Remarks:
(a) If the number of students in Grade 1 and Grade 2 is 42 or above, the can class can be split using the pupil-teacher ratio of 28:1; and if the number of students in Grade 3 to Grade 5 is 50 or above, the class can be split using the pupil-teacher ratio of 33:1.
(b) The teachers of English and pedagogical advisers supporting or teaching in a school cluster must be allocated regular teaching hours in a particular school.
(c) Upgrading incomplete primary schools into complete primary schools is not allowed if students can still travel to other nearby complete primary schools.
(d) For the primary schools with a few numbers of students, teachers and students are required to be transferred to nearby schools; in the case of schools in urban areas, it is not allowed to organize multigrade teaching.
(d) If the result of divisions contains the decimal number of 0.5 or above, round it to 1.

- Year 2: US$1 million (estimated delivery: December 31, 2022; estimated verification: March 31, 2023).
- Year 4: US$500,000 (estimated delivery: December 31, 2024; estimated verification: March 31, 2025).
- Year 2 target. Not scalable. Target can be met early. Rollover will be allowed by one year.
- Year 4 target. Scalable, in proportion to the number of districts that achieve the target of at least at 50 percent of public primary schools in the district have enough teachers. Target can be met early. Rollover will be allowed by one year.

**Verification Process**

- Year 2: MOES will share the Ministry Decree.
- Year 4: MOES will report the data as collected through LESMIS. Independent verification will be conducted through third-party verification within three months of activity completion to cross-check on a school sample basis reported data with school-level reality.

**(PBC 2) Efficiency: Better data for efficient decision-making**

**Indicator: Improved data quality, management, and utilization for monitoring and planning**

8. **Rationale.** Good data enable governments to understand the impact of policies and improve service delivery. Specifically, effective decision-making—regardless of whether at the central or subnational level (province, district, village, school)—relies upon (a) timely and accurate data being available and (b) a culture of using and sharing data. Good data, when made widely available, also enable civil society to hold governments accountable for policy choices. Better data systems—by making government systems more responsive to citizen need and more accountable—can improve the efficiency of resource allocation.

9. The World Development Report 2021, Data for Better Lives, argues that the value of data is largely untapped, and that there are significant efficiencies to improving links across data types and sources. Education data systems in Lao PDR, however, are not ready to foster efficient decision-making and resource allocation. A recent review of MOES's M&E system, undertaken as part of the preparation of the ESSDP 2021–2025, identified a number of challenges:[51] (a) multiple MISs are not linked and harmonized; (b) data from the MISs are not easily accessible to MOES staff and development partners; this leads to uncoordinated collection of own data by different MOES departments and units—at all levels—and as such duplication of data collection; (c) lack of engagement by different MOES departments and units in data verification; (d) limited use of online/real-time data recording systems; (e) one-way information flow, from schools to the center with data primarily used for reporting rather than for monitoring, planning, and taking action on the data; (f) lack of an organizational culture of data/information sharing,

[51] Situational Analysis of the Ministry of Education and Sports Monitoring and Evaluation System. Draft.

collaboration, and use for monitoring and planning; and (g) no unit within MOES has the mandate to examine data (statistics, reports) to inform policy.

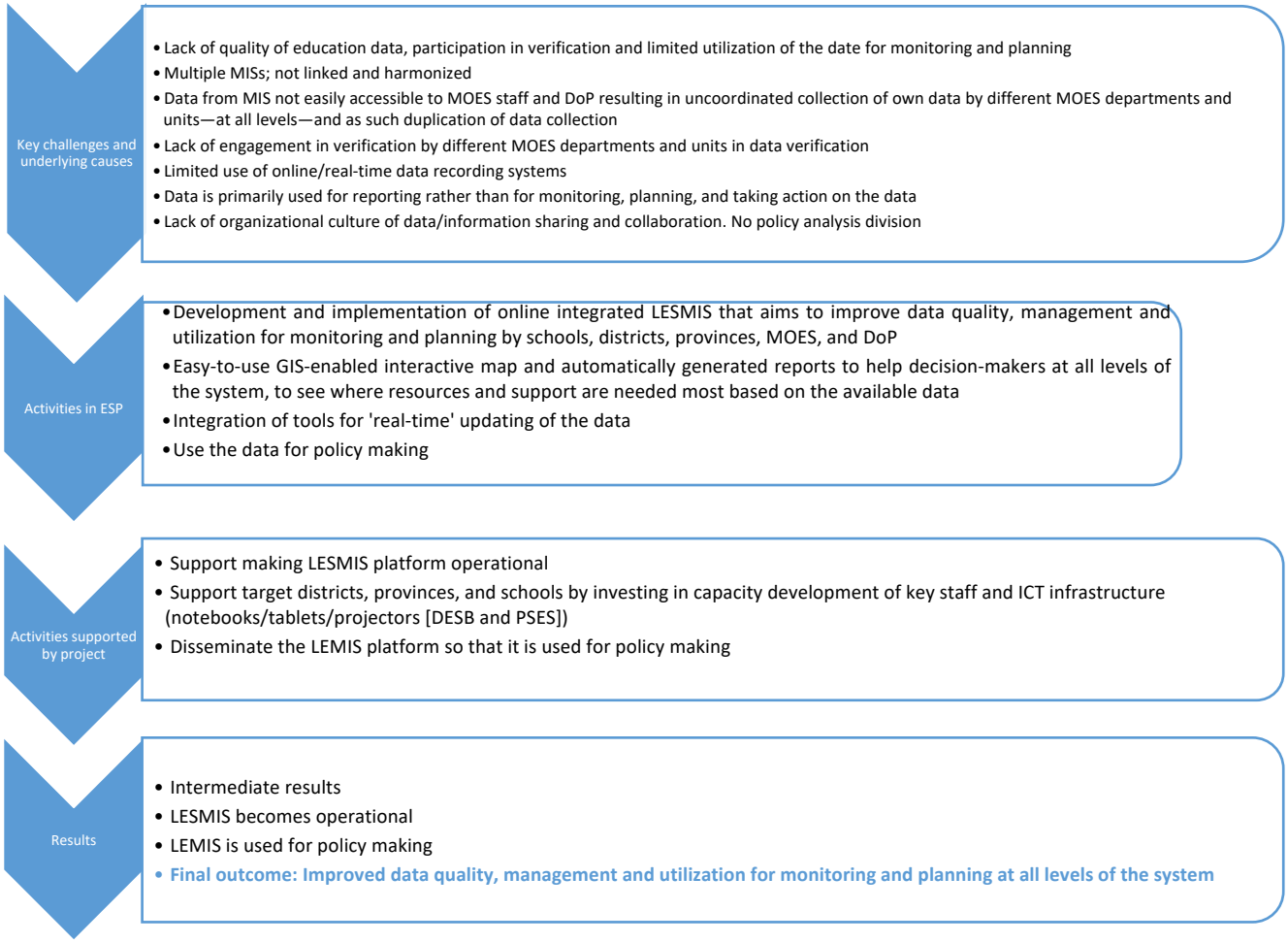
10. The midterm review of the ESSDP (2016–2020) identifies the need to better link different databases for efficient policy making (Outcome 10). The importance of linking databases has also been identified in a recent evaluation of MOES's M&E system. The aim of the LEMIS platform is to provide access to all different datasets in one place, with easy access to various stakeholders, creating dashboards to aid in the policy-making process. The ESSDP (2021–2025) supports the development and implementation of an online integrated LESMIS that aims to improve data quality, management, and utilization for monitoring and planning by schools, districts, provinces, MOES, and development partners. This work is currently being supported by the EU and UNICEF. Given that better data are a priority for the GoL, highlighted in the ESSDP (2021–2025), and are critical to ensure improvements in education planning, decision-making, and implementation, the project has identified improved data quality, management, and use as an efficiency indicator to be supported by the variable part.

11. **Proposed variable part strategy/actions.** While the EU and UNICEF will continue to work closely with MOES to support data system strengthening in Lao PDR, the project will also work closely with the EU, MOES, and UNICEF and complement these efforts to achieve system-level change. The key contribution of the project in this work as part of the fixed part will be to support provinces, districts, and schools by investing in the capacity development of key staff and ICT infrastructure (notebooks/tablets/projectors [DESB and PESS]). The following activities will comprise the variable part strategy: (a) support technical advice and provide the required information infrastructure to make sure that the LEMIS platform can become operational and (b) support an awareness campaign to make the LEMIS platform useful for policy making, so that Lao PDR takes advantage of the investment in this platform and enhances MOES's ability to pursue evidence-based policy making.

12. **Expected transformation or system-level change.** Because good data underlie efficient resource allocation, improving data systems and their use has the potential to significantly improve policy choices and implementation. The two proposed actions under the variable part can play a key role in improving resource allocation and thereby outcomes. Currently, MOES collects data but does not use it effectively. Addressing fundamental weaknesses in the education data systems in Lao PDR has the potential for transformative change by ensuring that resource allocation prioritizes areas in urgent need of attention, such as out-of-school children and schools with few teachers.

13. **Justify the 'stretch'.** While MOES is aware of the weaknesses in its M&E system since a report in 2017, these have not been addressed systematically. As discussed, a key weakness pertains to being unable to use the existing information at the different levels, to improve policy actions. Motivating MOES to make the LEMIS platform operational and disseminate it so people within MOES use it for their daily tasks to inform their work would revolutionize the way policy making is made in Lao PDR. This will not be easy as the different stakeholders are not used to having access to data and using it. This will require them to change their attitudes and practices.

**Figure 2.2. Theory of Change and Applicable Intermediate Indicators**




## Definition of Targets

### Definition

14. This is a combination of qualitative and quantitative targets, financed by the variable part component. The variable part component will finance two deliverables, which are in Year 1 and Year 3. These are linked to systemwide outputs and outcomes. In Year 1, LESMIS platform is operational. This includes two capabilities: (a) the platform pulls together data from various MOES databases and (b) all relevant staff within the ministry has access to the platform as well as a public version for stakeholders outside the ministry; in Year 3: the LEMIS platform is used to inform policy making.

### Targets

- Year 1: LESMIS platform becomes operational, pulling together data from various MOES databases, producing dashboards, and providing access to the platform for all stakeholders.

- Year 3: LESMIS platform is being used to inform the Joint Sector Review Missions or Annual Sector Report.

- Evidence of LESMIS informing the Joint Sector Review Missions will be measured by whether LESMIS data, dashboards, or visualizations are used during the ESWG technical meetings of the Joint Sector Review Missions.

- Evidence of LESMIS informing the Annual Sector Report will be measured by whether LESMIS data, dashboards, or visualizations are used in the Annual Sector Report.

**Disbursement Rule**

- The PBC is monitored for Years 1 and 3. Disbursement will be made upon achievement of specified targets. US$1.25 million is allocated for the value of PBCs for achieving targets set in Year 1 and Year 3.

- Total PBC value: US$1.25 million.

- Year 1: US$750,000 (estimated delivery: December 31, 2021; estimated verification: March 31, 2022).

- Year 3: US$ 500,000 (estimated delivery: December 31, 2023; estimated verification: March 31, 2024).

- Year 1 target. Not scalable. Can be met early. Rollover allowed by one year.

- Year 3 target. Not scalable. Can be met early. Rollover allowed by one year

**Verification Process**

- Year 1: MOES will share automated LESMIS reports and data files. Independent verification will be conducted through an independent verification agency within three months of activity completion.

- Year 3: MOES will share evidence of LESMIS used to inform the Joint Sector Review Missions or Annual Sector Report. Independent verification will be conducted through an independent verification agency within three months of activity completion.

**(PBC 3) Learning Outcomes: Improved teaching for students in the early grades**

**Indicator: Percentage of teachers that teach the new Grade 1 mathematics and Lao language curriculum effectively.**

15. **Rationale.** Student learning for both Lao language and mathematics is poor, especially for non-Lao speakers (ASLO 2017). To improve learning, Lao PDR needs to improve the quality of the classroom interactions between student and teachers. Currently, teachers have low content knowledge and follow poor teaching practices. There are several underlying causes for low-quality teaching. Among them are

low quality preservice and in-service teacher professional development and not enough support to remediate teachers' low levels of content and pedagogical skills. While the project and development partners are supporting the Government through a host of teacher professional development activities, the realignment of in-service teacher training curricula to the new primary school (student) curriculum in Lao language and mathematics is the cornerstone of the overall government strategy. This is highlighted in Intermediate Indicator 2.2 (see strategy 1 and 2) of the ESSDP (2021–2025). However, for this strategy to deliver improvements in learning outcomes, the Government and the ESWG have identified a bottleneck: currently, teachers are using the teacher guides that contain the new curriculum in the classroom but are not yet using it effectively, compromising implementation fidelity. Furthermore, there is currently no information, aside from anecdotal evidence from field visits, on the actual number of teachers who are able to effectively implement the new the teacher guides in the classroom. Without teachers implementing the guides as expected, the new curriculum is unlikely to be taught in the manner expected—and bring about the changes in teaching and thereby learning envisioned by the Government. As a result, there is a consensus that this is the most critical learning indicator that can be supported by the variable part.

16. **Proposed variable part strategy/actions.** Improving teaching in early grades is part of the PDO, and Component 2 (Prepared and Motivated Teachers) is designed to achieve this objective. It aims to improve the teaching skills, in Lao language and mathematics of students in Grades 1 to 3. Teachers will receive training on how to use the new structured teacher guides to remediate their low subject content knowledge, as well as school-based continuous professional development and coaching support on teaching strategies for early grades. In addition to Component 2, Component 3 (Effective Governance for Improving Teaching and Learning) will help strengthen school governance and better use of data for decision-making, which in turn would help support the effective implementation of the teachers support package. These activities will be financed with both fixed and variable parts. While the fixed part will finance teacher training on the use of the teachers' guide for the new curriculum in Lao language and mathematics for Grades 1–3 nationally, the variable part will finance the development of an ongoing system, led by the Government, to collect data on effective implementation of the new curriculum for Grade 1. Using this information, the variable part will finance the potential revision of training material for Grade 1 in Lao language and mathematics and subsequent training and coaching to increase its effective use. It will also finance training pedagogic advisers and principals on how to monitor and support teachers on effective use of the teacher guides, thereby improving the implementation of the new curriculum. These are critical for systemwide and outcome-oriented deliverables.

17. **Expected transformation or system-level change.** To improve teaching, MOES will need to embark on several system-level changes, the biggest one being the implementation of a new professional development system focused on improving teachers classroom practices through practical training, cluster- and school-based coaching and ongoing support, and structured teacher guides. This is a completely new way to conceive teacher support in Lao PDR. Several development partners are supporting this systemwide transformation. JICA is supporting the development of the structured teachers guides and initial training for mathematics and Australia (BEQUAL) for the remaining subjects, including Lao language. In addition, JICA is also supporting the construction and upgrading of demonstration schools and some facilities of the TTCs to strengthen their capacity to become Lao's center for teacher professional development. UNICEF and the EU are supporting the upgrading of the skills of pedagogical advisers to help schools and teachers improve teaching and learning.

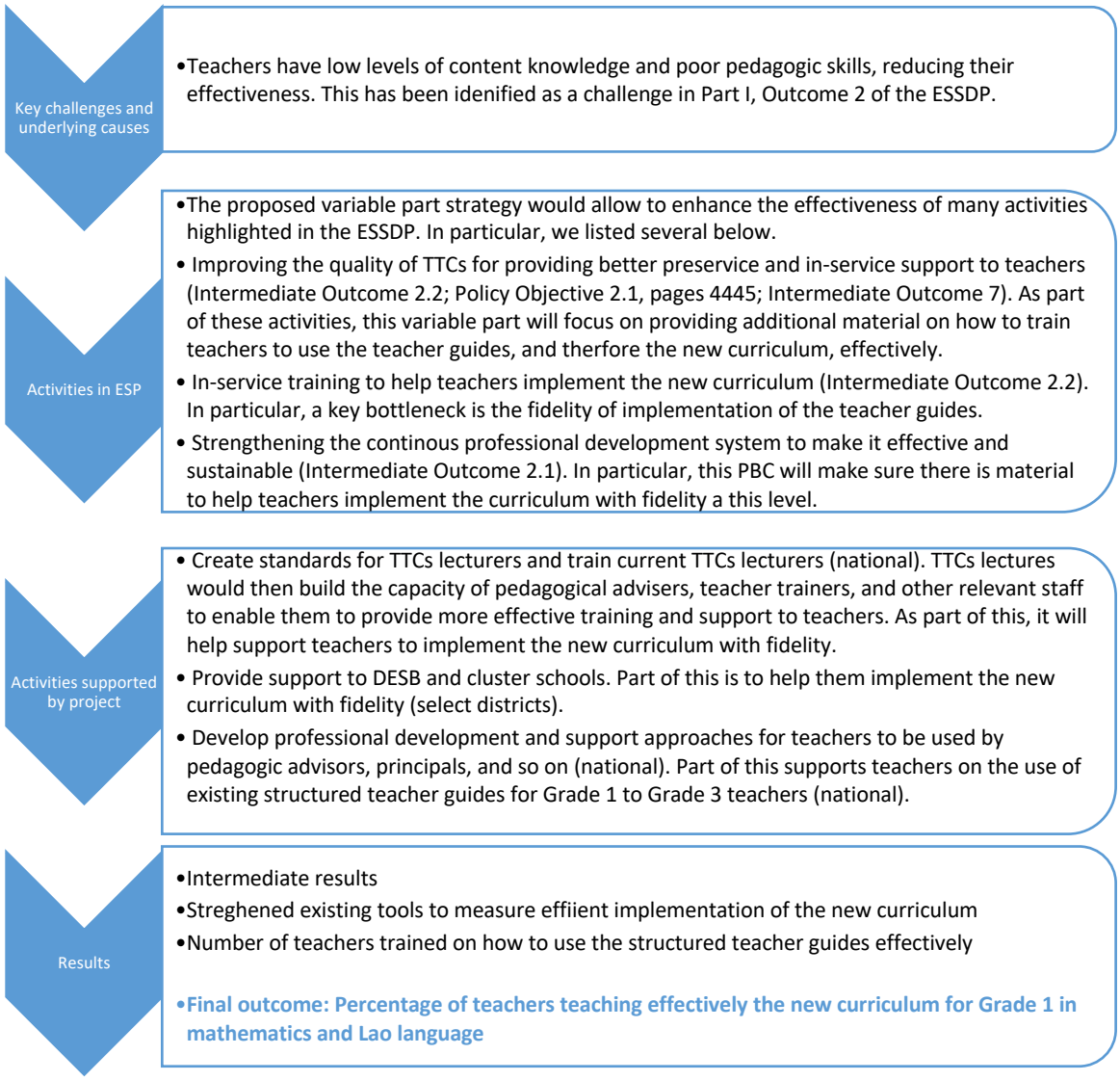
18. Once the in-service professional development system is designed, material will be developed and the approach will be tested, after which, clusters and schools will adopt this approach for whole cluster-school improvement. In addition, once the TTCs become centers of excellence for professional development, they will serve a critical role for the future of teaching and learning in Lao PDR. Moreover, through LEAP, pedagogical advisers and district- and province-level officials will upgrade their skills and be able to transfer this knowledge across the system. The most crucial bottleneck for all these developments is the need to make sure that the new curriculum is implemented with fidelity. LEAP proposes to do this by upgrading MOES personnel skills to collect and monitor ongoing data on usage of the teacher guides to fine-tune implementation as needed. This will not be a one-off evaluation, but an ongoing system led by the Government, whereby data collection and use to improve implementation get routinized. Therefore, the scope for transformational change of achieving improved teaching in early grades is immense.

19. The value of starting first in Grade 1 for the variable part is that the structured teacher guides are already developed, and teachers have received the initial training. There is encouraging evidence from JICA and Australia (BEQUAL) on the fact that teachers are observed using the teacher guides most of the time, and teachers appreciate and see the value of using teacher guides. However, for the new curriculum to improve learning, teachers need not just be seen with the teacher guides, but they need to use the teacher guides and deploy accompanying pedagogical practices to effectively change student-teachers interaction in the classroom. As of today, there is not a common and reliable system to measure whether teachers are actually using the teacher guides effectively, which presents a major challenge in monitoring the success of the implementation of the new curriculum. Changes in teaching habits involve difficult changes and will require work and dedication. However, once new teaching habits are introduced in Grade 1 with the leadership of the Government and support of development partners, extending it to the other grades will be significantly simpler, having gained experience on what works and what did not in Grade 1. This would also allow making the expansion sustainable and cost-effective by focusing on the strategies that worked.

20. This variable part indicator, whether teachers are effectively using the new teacher guides to improve their teaching in Grade 1 in mathematics and Lao language nationally, captures the outcome level impact of important operational-level reforms. Research emphasizes the critical importance of implementation fidelity, that is, following the structured teacher guides in the classroom, for improved learning. A study by Piper et al. (2018) on teachers' guides across 13 countries and 19 projects shows that programs that use structured teachers' guides and implement them with fidelity show significant positive impact on learning outcomes, associated with approximately an additional half year of learning. This is also corroborated by the finding that from all evaluated interventions in international education, the ones with the most impact are structured pedagogic programs, which often include teacher guides and associated professional development (Snilstveit et al. 2016). However, for structured pedagogic programs to translate into increase student learning, making sure teachers are changing what happens in the classroom is paramount. Furthermore, improvement in Grade 1 is likely to be followed by improvements in Grades 2 and 3, as the learnings from this process will be used by the teachers in Grade 2 and Grade 3 as part of this project and have several years of implementation under it. While this variable part indicator would only measure the transformation in Grade 1 directly, this is a proxy for a much broader transformation at the system level. This includes improved design of teacher guides, improved training and coaching material, improved monitoring by pedagogic advisers and principals on its effective use, and incorporating teacher feedback based on monitoring.

21. **Justify the 'stretch'.** There are several professional development activities that the Government is promoting, as noted in the ESSDP (2021–2025). However, none of them is as crucial as the implementation of the new curriculum, which is seen by all stakeholders as the key to improve teaching and learning in Lao PDR. However, teachers in Lao PDR are not accustomed to using teacher guides nor are pedagogical advisers or principals. The same applies to providing actionable coaching to teachers or having practical trainings focused on specific skills. Changes in these aspects involve modifying established behavior and mindsets, which is especially challenging. Considering the current context of poor teaching practices, reduced budgets, the aftereffects of COVID-19, and the relatively short span to improve teaching as measured by percentage of Grade 1 teachers effectively implementing the new curriculum by Year 4 at the national level, the end target set by LEAP is highly ambitious. While Grade 1 teachers have already received training on how to use the teacher guides, additional training and support is needed. This variable part indicator will finance the development of a government-owned and government-led data system to monitor what happens inside the classroom. Increasing the number of Grade 1 teachers teaching the new curriculum effectively by 20 percentage points would be a critical development in Lao PDR's education system. This goes beyond just observing the teachers using the new curriculum but rather also using the accompanying pedagogical practices to support student learning.

**Figure 2.3. Theory of Change and Applicable Intermediate Indicators**




## Definition of Targets

### Definition

22. This indicator will measure the percentage of teachers that effectively implement the new structured teacher guides for Grade 1 mathematics and Lao language. To achieve the end target, outputs financed by the fixed and variable parts will be necessary, as explained earlier. The variable part components will finance specific deliverables as outlined in the following paragraphs. The fixed part components will finance teacher professional development and ongoing support throughout LEAP to ensure there is no double-dipping.

**Targets**

- Year 1: (a) strengthened existing classroom observation tools to become high inference tool aligned to teacher standards and international best practice and feedback protocol and (b) baseline report to measure whether teachers are teaching effectively the new curriculum, including details on the psychometric properties of the tool.

23. Currently, there is no baseline on the percentage of teachers implementing the new curriculum effectively. There is some evidence from Australia (BEQUAL) on the implementation of the Lao language curriculum in specific districts that suggests that after the initial training most teachers are using the teacher guides. In addition, there are examples of teachers using active learning strategies and following some effective teaching practices. For example, the report finds that 73 percent of Grade 1 teachers are asking appropriate questions, open and closed, simple to more complex and allow students enough time to answer the questions most or all of the time. It also finds that 74 percent of the time all students are participating and engaged in the lesson. Understanding the limitation imposed by the lack of reliable data on this critical indicator, Year 1 target requires the Government to enhance its existing tools to develop the system to collect and report on this indicator.

- Year 4: Additional 20 percent of teachers in Grade 1 in mathematics and Lao language improve their effectiveness.

**Disbursement Rule**

- US$2.5 million is allocated for the value of PBC for achieving targets set in Year 1 and 4.
- Year 1: US$1,500,000 (variable part) (estimated delivery: December 31, 2022; estimated verification: March 31, 2023).
- Year 4: US$1,000,000 (variable part) (estimated delivery: December 31, 2024; estimated verification: March 31, 2025).
- Year 1 target. Not scalable. Can be met early. Rollover allowed by one year.
- Year 4 target. Scalable, in proportion to the percentage of teachers that improve their effectiveness. Can be met early. Rollover allowed by one year.

**Verification Process**

- Year 1: RIES/DTE will share the tools and report. Independent verification will be conducted.
- Year 4: RIES/DTE will share the evidence on teachers' improvement. Independent verification will be conducted on a random sample of 200–400 teachers.

## ANNEX 3: Project Locations

**COUNTRY: Lao People's Democratic Republic**
**Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project**

**Table 3.1. Target Districts Supported under LEAP**

| **Component 1: Prepared and Motivated Learners** | |
|---|---|
| **Subcomponent** | **Interventions' Coverage** |
| Child Community Development Groups (CCDGs) | The intervention will continue serving classrooms currently receiving interventions under the ECE project (10 districts and 73 locations - continuity districts) and expand to 8 new districts, for additional 172 locations. Out of these 18 districts, 6 are the GoL's convergence districts and 8 are MOES's 40 priority districts. |
| Multiage Teaching (MAT) | This intervention includes pre-primary education curriculum revision for students and preservice teacher candidates which would be used nationwide.<br>The MAT intervention will continue serving classrooms currently receiving interventions under the ECE (9 districts and 62 locations - continuity districts) and expand to 13 new districts, for additional 200 locations. Out of these 22 districts, 5 are the GoL's convergence districts and 7 are MOES's 40 priority districts. |
| Development of Play-Based Content | The material developed will be used nationwide in the curriculum revision, preservice teacher training and in selected districts for the CCDG and MAT interventions. |
| Reading Readiness Program | This intervention includes pre-primary education curriculum revision for students and preservice teacher candidates which would be used nationwide. In addition, it will continue serving classrooms currently receiving interventions under GPE II (33 districts) and expand to 28 new districts. Out of these 61 districts, 6 are the GoL's convergence districts and 34 are MOES's 40 priority districts. |
| Childhood Disability Screening | This intervention will be carried out in up to 20 CCDG and MAT districts. |
| **Component 2: Prepared and Motivated Teachers** | |
| **Subcomponent** | **Interventions' Coverage** |
| Improving the quality of teacher professional development | The teacher pre-primary standards, standards and training for current TTC lecturers, building the capacity of pedagogical advisers and other relevant staff, training teachers on the new curriculum to use teacher guides effectively (Grades 1–3), developing a system to monitor the use of teacher guides, and developing material for school based professional development on a nationwide level.<br>Teacher Performance Appraisal System, providing support to DESB and cluster schools, identifying professional development needs of teachers and developing approaches for training and support, establishing ongoing school-based professional development systems will be done in MOES's 40 priority districts. |
| Improving Teacher Management | Guidelines on improving teacher allocation will be available nationwide. However, the cluster-based plan for rotating teachers every three years and district-level incentive plan for compliance with teacher allocation protocols will be conducted in MOES's 40 priority districts. Finally, the mass media campaign on the importance of teachers will also be conducted in MOES's 40 priority districts. |
| **Component 3: Effective Governance for Improving teaching and Learning** | |
| **Subcomponent** | **Interventions with Nationwide Coverage** |
| Effective School Governance | The guidelines, data systems, and tasks with trivial marginal costs will be conducted nationwide. The SBGs will be conducted in MOES's priority districts. For more details, see the Component 3 write-up. |

**Table 3.2.Target Districts and Proposed Numbers of Locations for CCDG, MAT, Childhood Disability Screening, and RRP**

| Province | District Code | District | Continuation of CCDG | New CCDG | Continuation of MAT | New MAT | CDS | RRP School | Convergence District | 40 Priority Districts |
|---|---|---|---|---|---|---|---|---|---|---|
| Vientiane Capital | 108 | Sangthong | | | | | | 12 | | X |
| | | | | | | | | | | |
| Phongsaly | 201 | Phongsaly | | | | | | 11 | | |
| | 202 | Mai | | | | | | 15 | X | |
| | 203 | Khoua | 10 | | 5 | | 27 | 15 | X | |
| | 204 | Samphanh | | | | | | 12 | X | X |
| | 205 | Bounneu | | | | | | 13 | | |
| | 206 | Yod-Ou | | | | | | 7 | | |
| | 207 | Bountay | | | | | | 15 | | |
| | | | | | | | | | | |
| Luangnamtha | 303 | Long | | 31 | | | 31 | 20 | | X |
| | | | | | | | | | | |
| | 401 | Xay | | | | | | 23 | | |
| Oudomxay | 402 | La | 6 | | 6 | | | 10 | X | |
| | 403 | Namor | 11 | | 16 | | | 19 | X | |
| | 404 | Nga | | | | | | 12 | | X |
| | 405 | Beng | 12 | | 6 | 8 | | 17 | | |
| | 406 | Houn | | | | | | 19 | | X |
| | 407 | Pakbeng | | | | | | 13 | | X |
| | | | | | | | | | | |
| Bokeo | 504 | Phaoudom | | | | 13 | 23 | | | |
| | | | | | | | | | | |
| Luangprabang | 604 | Pak Ou | | | | | | 17 | | X |
| | 612 | Phongthong | | | | | | 14 | | X |
| | | | | | | | | | | |
| | 701 | Xamneu | 701 | | | | | 15 | | |
| | 702 | Xiangkhor | | | | | | 10 | | |
| Huaphanh | 705 | Huamuang | 5 | | 2 | 9 | | 10 | X | X |
| | 704 | Viangxay | 6 | | 9 | | | | | |
| | 706 | Xamtai | | | | 6 | 28 | 15 | X | X |
| | 707 | Sobbao | 7 | | 2 | 8 | | | | |

| Province | District Code | District | Continuation of CCDG | New CCDG | Continuation of MAT | New MAT | CDS | RRP School | Convergence District | 40 Priority Districts |
|---|---|---|---|---|---|---|---|---|---|---|
| | 708 | Muang At | 5 | | 10 | | | | | |
| | 709 | Kouan | 3 | | - | | | | X | X |
| | 710 | Sorn | | | | | | 10 | X | |
| | | | | | | | | | | |
| Sayabouly | 801 | Sayabouly | | | | | | 17 | | |
| | 802 | Khob | | | | | | 10 | | |
| | 803 | Hongsa | | | | | | 13 | | |
| | 804 | Nguen | | | | | | 13 | | |
| | 805 | Xienghon | | | | | | 12 | | |
| | 806 | Phieng | | | | | | 18 | | |
| | 807 | Paklay | | | | | | 18 | | |
| | 808 | Kaentao | | | | | | 9 | | |
| | 809 | Botan | | | | | | 6 | | |
| | | | | | | | | | | |
| Xiangkhuang | 902 | Kham | | 25 | | | 24 | 15 | X | |
| | 903 | Nonghaed | | | | | | 13 | X | X |
| | | | | | | | | | | |
| Bolikhamxay | 1101 | Paksan | | | | | | 15 | | |
| | 1103 | Pakkading | | | | | | 14 | | |
| | 1104 | Bolikhan | | | | | | 18 | | |
| | 1105 | Khamkeut | | | | | | 18 | | |
| | 1106 | Viengthong | | | | | | 16 | | |
| | 1107 | Saychamphone | 8 | | 6 | | | 10 | | X |
| | | | | | | | | | | |
| Khammuane | 1202 | Manaxay | | | | | | 10 | | X |
| | 1205 | Nhommalath | | | | | | 9 | | X |
| | 1206 | Bualapha | | | | | | 9 | | X |
| | 1207 | Nakai | | | | | | 6 | | X |
| | 1209 | Xaybuathang | | | | | | 12 | | X |
| | | | | | | | | | | |
| Savannakhet | 1302 | Outhomphone | | | | 25 | | | | |
| | 1304 | Phine | | | | 10 | | 15 | | X |
| | 1305 | Sepone | | | | | | 9 | | X |

| Province | District Code | District | Continuation of CCDG | New CCDG | Continuation of MAT | New MAT | CDS | RRP School | Convergence District | 40 Priority Districts |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1310 | Xongnabouly | | | | 16 | | | | X |
| | 1313 | Asphone | | 15 | | 15 | | | | |
| | 1315 | Phalanxay | | | | | | 7 | | X |
| | | | | | | | | | | |
| Saravanh | 1401 | Saravanh | | | | 21 | | | | |
| | 1402 | Ta Oi | | | | | | 17 | | X |
| | 1404 | Lakhonpheng | | | | | | 17 | | X |
| | 1407 | Lao-ngarm | | | | 19 | 26 | 18 | | X |
| | | | | | | | | | | |
| Xekong | 1501 | Lamarm | | 26 | | | | 12 | | X |
| | 1502 | Kaleum | | 14 | | | | 10 | | X |
| | 1503 | Dakcheung | | 38 | | | 38 | 17 | | X |
| | 1504 | Thateng | | 7 | | 7 | | | | |
| | | | | | | | | | | |
| Champasack | 1604 | Paksong | | | | 12 | 27 | | | |
| | 1605 | Phathoumphone | | | | 8 | | | | |
| | 1610 | Khong | | | | | | 14 | | X |
| | | | | | | | | | | |
| Attapue | 1701 | Saysettha | | | | 15 | | | | |
| | 1704 | Xanexay | | 16 | | 8 | 26 | | | X |
| | 1705 | Phouvong | | | | | | 9 | | X |
| | | | | | | | | | | |
| Saysomboun | 1803 | Longchaeng | | | | | | 5 | | X |
| | | | 73 | 172 | 62 | 200 | 250 | 755 | 11 | 32 |