Towards Education for All
Implementing the Education Sector Development Framework

The past ten years have seen a significant improvement in the access to education in Laos. Having said that, Laos still has a long way to go to reach the Millennium Development Goal (MDG) of universal primary education completion by 2015 (currently 68.4%). Considerable work and investment are needed to achieve that goal.

The Education Sector Development Framework 2009-2015 (ESDF) was recently endorsed by HE The Prime Minister of Laos and also by the highest levels of all active Development Partners in the country. The ESDF is an Education Sector Plan, developed through a two-year process of consultations and technical analysis involving multiple stakeholders. It will guide future investment in this sector and forms the basis of the sector inputs to the development of the 7th National Socio-Economic Development Plan (NSEDP). Having completed the ESDF, Laos has now been accepted by the Education for All Fast Track Initiative (EFA-FTI) as a partner. The EFA-FTI, launched in 2002, is a global partnership between donors and developing countries to ensure accelerated progress towards the MDG.

The World Bank (WB) is currently supporting the Government of Laos’ (GoL) education sector through the Second Education Development Project (EDP II), which has recently received additional financing of US $15.5 million from the International Development Association (IDA) grant, the concessional financing arm of the World Bank.

The project builds on the foundation of the existing project that was approved since 2004. The project will work in the nineteen poorest districts in the six poorest provinces to improve primary enrolment and completion, and strengthen the capacity of the Ministry of Education (MoE) to develop policies and strategies to monitor and manage primary education and move to a sector-wide approach (SWAp).

The Education Sector Working Group (ESWG), co-chaired by Australia and UNICEF, assisted the GoL to prepare the ESDF. The ESWG was formed in June 2005 and brings together representatives from government and donor agencies involved in the education sector, to agree on development priorities and improve aid coordination and effectiveness.

The International Non-Government Organization (INGO) Network has eight thematic working groups (WG) one of which is education. The education WG is made up of representatives from over thirty organizations. Aid from these organizations contributes US$7 million to the Lao education sector annually. The role of this group is to share information and avoid duplication to improve aid effectiveness.

There are many challenges facing the education sector in Laos. To discuss these challenges and their plans to overcome them, we interviewed H.E. Mr Lytou Bouapao, Vice Minister of Education.

What are some of the challenges facing the Education Sector in Laos?
In general the quality of the education system in Laos is low. Poverty is of course one of the biggest issues. With our agricultural system, many parents need to keep their children out of school during rice cultivation and harvest time from Oct-Dec. >> Continued on page 2

With Compliments
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A lack of teachers is the other issue, we don’t have enough students graduating while the high achieving graduates from remote areas don’t want to become teachers and are reluctant to move to remote areas due to a lack of incentives. Teachers lack learning materials and salaries are often paid late. Primary repetition rates are high and adult illiteracy eradication is slow.

Can you tell us about the achievements in education?

It’s important to remember that we’ve had to build the country from zero. In 1975 less than 10% of the people were literate, the current figure for adult literacy (15 years and over) is 75.4 -78.5%— a significant improvement. Since 2001 the number of Pre-schools increased from 754 to 1,123. Over the past 5-10 years, the net enrollment rate of 6-10 year olds increased from 79.8 - 91.6%, retention rate of students to grade 5 increased from 53.4 to 68.4%. A major achievement recently was the endorsement of the new ESDF 2009-2015 by HE The Prime Minister of Laos.

Why do we need an Education Sector Development Framework?

The quality of our education system is still very low compared to our neighbors and our need. The system needs reform. The ESDF is a major education sector plan to coordinate planning and investment across the entire education sector. It will allow the Ministry of Education to estimate the total investment program required and leads us to a SWAp. A SWAp gives us ownership, improves harmonization and alignment as well as reduces transaction costs.

How does the WB contribute to improving the education sector?

Through capacity development support, technical assistance, financial support, support to the ESWG, acting as Supervising Entity for the Catalytic Fund Fast-Track Initiative/Education for All (FTI/ EFA-CF) and supporting the development of the Education Management Information System (EMIS).

Is the literacy rate of ethnic groups comparable to the majority? What is your plan?

The gap in education standards between city and rural areas remains vast, with child enrolment rates in Vientiane at 90-95%, but only 40-50% in Xieng Khuan, Luang Namtha, Phongsaly and Saravan provinces. The 2005 population census shows that the literacy rate for almost all ethnic groups is lower than that of Lao ethnic people. The rate for Akha women remains below 5%. The MoE is targeting 56 of the most educationally disadvantaged districts in Laos by sending mobile teachers to these remote villages to introduce basic education. We also plan to make all village heads literate.

How do boys and girls compare?

It is true that the literacy and attendance rate for girls is lower than boys while the disparity increases with higher levels of education. The ADB Basic Education Girls Project was the first attempt to target girls and this has continued with the School Feeding approaches which will be the basis for implementation of the FTI/ EFA-CF Program with AusAID.

Australia’s Contribution to the Education Sector

H.E. Dr Michele Forster, Ambassador, Embassy of Australia

Education is a flagship sector in Australia’s development cooperation program worldwide. For Laos, half of Australia’s bilateral budget this year will go to either basic education or scholarship programs. Dr Michele Forster, Australian Ambassador, explains the Government of Australia’s involvement in the sector.

How has the Australian Government contributed to education in Laos?

Australia has provided around A$8 million each year over the past five years for basic education. We’ve supported new models of service delivery to educate ethnic children – especially girls – living in remote communities, targeted 267 young women from ethnic communities for teacher training and developed teaching materials for children for whom Lao is a second language. In partnership with the MoE, WB, UNICEF and the World Food Program (WFP), we’ve funded the construction of classrooms and latrines, teacher training, quality curriculum materials and school feeding programs. We have built broader capacity through a high profile scholarships program; over 1000 Lao have now studied at tertiary institutions in Australia. We are hoping to scale up our support for basic education significantly over the next couple of years.

What are some of the challenges?

There are continuing issues with access to schools, availability of teachers and materials, quality and relevance of the curriculum and high repetition rates. Many children never attend school. Donor coordination and harmonisation needs to be improved to reduce duplication, inconsistency and the burden on Government. We need to work with Government to improve their systems and human resource capacity so that donors will be confident about working more closely with them.

How has the Australian Government contributed to the Education Sector Development Framework?

Australia and UNICEF are the donor co-chairs of the Education Sector Working Group and through this mechanism we helped the Government to prepare the ESDF. From the beginning of the process, Australia was a very active participant in planning, drafting and consultations.

Can you tell us about aid harmonisation and how it is working to benefit Laos?

Most development partners provide support through stand-alone projects which are often implemented by contractors or donor staff. In the past, there was a disconnect between Government policy and donor preference. Separate projects also impose implementation and reporting burdens on the limited number of Government staff. The ESDF will guide government and donor investments and simplify planning. If we can harmonise implementation, monitoring and reporting procedures around the ESDF, this should reduce the practical burden on Government staff. It is also a first and necessary step to a transition to a SWAp.

The literacy rate and attendance rate for girls are lower than that of boys in Laos. How is this being addressed?

We’ve had very good results from our Access to Basic Education in Laos (ABEL) Project where a combination of education quality inputs from UNICEF and school feeding by WFP has improved enrolment rates, completion rates and dropout rates. School feeding and take home rations are explicitly aimed at increasing the demand for girls’ education. The provision of water and sanitation facilities has a particularly positive impact on girls’ attendance.
Access to Education—Challenges on the Ground

The state provides free education through to the completion of secondary school for Lao children, most villages have at least an complete school with Grades 1 and 2 or 3. Despite this, net enrolment rates are still low, particularly in remote areas. Some of the reasons include (i) schools are not attractive to children; (ii) parents cannot afford to buy uniforms, notebooks and pens; (iii) during the harvest season children are taken out of school to travel with their family to their farmland where they stay for up to two months; and (iv) children, particularly girls, are often kept at home to take care of younger siblings, doing housework and collecting food and water (Tomita, 2009).

Infrastructure
The condition of schools varies across rural Laos but many poor remote villages have correspondingly basic educational facilities with simple buildings and furniture. Many remote schools don’t have basic sanitation, toilets and clean drinking water. Schools often have very limited materials to entice children to attend like books, sporting equipment, musical instruments and painting materials. Some villages are very small (10-20 households) and don’t have a primary school, so children have to walk to the next village. No school in a village means that the majority of children do not receive any education in their life.

Teachers
Currently there are insufficient qualified teachers to meet demand, especially in the remote areas. However, the government has demonstrated its firm commitment to the Education for All goals by creating additional quota of 5000 new staff for the first fiscal year of 2009-2010 to complement the use of volunteer teachers by the District Education Bureau (Progress Report on Implementation of Education Development Plan for FY 2009-10, Ministry of Education, Report no.2530, December 4, 2009).

Ethnic groups and girls
Many ethnic parents are reluctant to send children to school, particularly when schools are incomplete (ie only offering early grades 1, 2 or 3) thus affecting enrolment, attendance and literacy rates. This is particularly evident with girls. One extreme example is Akha women whose literacy rate remains below 5%. The standard language used is Lao, there are no textbooks and few teachers to teach in ethnic languages. Changing attitudes to education remains an issue.

Tackling the Challenges of Education in Rural Areas

Although the GoL is working hard to redress these issues there is still a greater need for funds. A number of INGO’s work in the education sector, and one such organization is Room to Read (RtR).

RtR is based on the belief that education is crucial to breaking the cycle of poverty. RtR started in 2000 when its founder John Wood visited several schools in Nepal and observed their lack of resources. RtR is now running in 9 countries: Nepal, India, Vietnam, Cambodia, Sri Lanka, South Africa, Zambia and Bangladesh, and Laos (since 2005). Funding comes from individuals, family foundations, corporations, foundations and students helping students.

They hire only local national staff who are familiar and understand the language, conditions, customs and government, and the specific needs of the educational system. With capacity building, staff are empowered to adapt the programs to suit their country. RtR work in Borikhamxay, Champasack, Khammuanne, Phongsaly, Saravane, Savannakhet, Vientiane Capital, Vientiane and Xayabury.

What Programs do RtR run in Laos?
Somphet Phongphachanh, Country Director for RtR Laos explained: We work closely with each local community to plan our involvement based on their needs. We run four programs in Laos: Reading Room, assisted 692 communities to establish a separate reading room and provided furniture and books and training of teachers and support for 3 years; School Room, constructed 142 school rooms; Local Language Publishing, published 64 children books; Girls Education Program, provided scholarships to 825 girls to support them through to completion of secondary education.

The Girls Education Program is tackling the disparity in literacy rates between girls and boys. The program identifies girls who are at risk of dropping out and ensures that they have the opportunity to complete secondary school. RtR provide material support such as school fees, text books, supplies and transportation, but also extra support in the form of mentoring, medical check-ups, tutoring and life skills training.

One girl helped by RtR is Keam Cangvilai. She is 14 and lives in Xayabury Province. Keam’s family are Kmu, she had to work at home to help her mother with her sick grandparents and younger brother. The family work hard but are still very poor. These barriers didn’t prevent Keam from going to school but meant that there was little time after school for homework and her study results were low. She was offered a RtR scholarship and in August 2008 she travelled with 16 other girls from her hometown to the ethnic boarding school. She was afraid when she left home for the first time, but was still keen to have such an opportunity. She lived up to her potential, is nearly first in class every month, is well liked by her teachers and friends, and an important member of the boarding house. Keam promises to RtR that ‘I will pay much more attention to study well, be a good student for teachers and be a good girl (daughter) for my parents. I will tell others that: ’I am the luckiest girl to receive a scholarship from RtR. I will use this opportunity in the right way’.”

World Bank Events

March
Seminar on “Climate Change”
8 March
International Women’s Day
10 March
Stakeholder consultation on WB’s new Environment Strategy
14-16 April
Lao New Year
Economic Update

The Lao economy has performed relatively well in the midst of the global financial crisis (GFC), supported by recovered commodity prices and significant expansion in public outlays which have acted as a fiscal stimulus. The impact of the GFC is felt through declining commodity export earnings, reduced Foreign Direct Investment (FDI) inflows and remittance income, and a decline in non-resource exports, especially agriculture. Real GDP growth in 2009 is projected to slow to about 6.4%, which is still considered impressive as the second highest in the region after China. This performance is due to (i) relatively limited integration of the Lao economy to the global financial system; (ii) benefits from a sustained demand for exports and for tourism services, and lower fuel prices; (iii) a significant fiscal stimulus, to sustain economic growth and to compensate for the decline in foreign investment.

The contribution to GDP growth has shown a noticeable shift toward the resource sectors. The mining sector contributes about 2.5 percentage points to growth this year; manufacturing and construction together and agriculture about 1 percentage point each. Services account for the remainder.

Prices have begun to rise after falling significantly during the past several months of this year due to the recovery of food and energy prices. However, the average inflation is still very low this year, less than 1% compared to 7.6% in 2008.

Pressure from the GFC combined with commitments to host a series of major events (SEA Games and 450th Vientiane Anniversary) led to significant expansion of on-budget and off-budget public spending in 2009. Revenue collection is projected to fall short of the target by 8%. As a result, the budget deficit is estimated to increase sharply from 1.8% in 2008 to 6.8% in 2009. However, BOL has officially announced a termination of direct lending operations by the end of 2009, to phase out off-budget spending.

While Laos has made progress in reducing its external and public debt burden, it still faces a high risk of debt distress because of its large debt stock. Nevertheless, public debt service remains manageable as much of the debt is contracted on concessional terms.

Laos’ external trade turnover has contracted moderately due to secondary impacts of the GFC. While Lao commodity exports contracted by 7.2% compared to last year, imports are down by 9.6% due to falling prices of capital goods and fuel imported. As a result, the current account deficit has narrowed to 7.9% of GDP in 2009 from 12.5% in 2008.

Global Economic Prospect for 2010 Launched

Global Economic Prospects 2010, recently released, warns that while the worst of the financial crisis may be over, the global recovery is fragile. It predicts that the fallout from the crisis will change the landscape for finance and growth over the next 10 years. Global GDP, which declined by 2.2% in 2009, is expected to grow 2.7% this year and 3.2% in 2011. Prospects for developing countries are for a relatively robust recovery, growing 5.2% this year and 5.8% in 2011 - up from 1.2% in 2009. World trade volumes, which fell by a staggering 14.4% in 2009, are projected to expand by 4.3 and 6.2% this year and in 2011.

"Unfortunately, we cannot expect an overnight recovery from this deep and painful crisis, because it will take many years for economies and jobs to be rebuilt. The toll on the poor will be very real," said Justin Lin, World Bank Chief Economist and Senior Vice President, Development Economics

The report warns that, despite the return to positive growth, it will take several years before economies recoup the losses already endured. It estimates that about 64 million more people will be living in extreme poverty (on less than $1.25 a day) in 2010 than would have been the case had the crisis not occurred. While very strong developing country growth during the boom period may reflect underlying growth potential, the global financial conditions that fueled it were clearly unsustainable.

For more information, visit www.worldbank.org/gep2010.

Coupled with lower foreign capital inflows, expansionary monetary policy has resulted in a reduction of foreign reserves. BOL’s direct lending, interventions on kip appreciation, and lower FDI contributed to a reduction of foreign reserves by almost 16%, recorded at US$583 million as of June 2009 compared to the same period last year. The kip exchange rate appreciated slightly against US dollar (by 0.5%) but depreciated against Thai baht (by 3.1%) during the last six months (Jun-Nov).

Credit has been growing rapidly. Credit growth recorded a 98% y-o-y increase, of which 30 percentage points are from the BOL lending to local government infrastructure projects. This fast credit expansion clearly represented an attempt to stimulate the economy in the midst of the crisis. Despite a low initial base (12% of GDP at the end-2008), the GOI is cognizant of the risks and committed recently to rein credit in.

New Environment Strategy for the World Bank Group - Calls for feedback

“What do you think the role of the World Bank Group should be, in achieving environmental sustainability and the link between environment and development goals?” The World Bank Group is currently undertaking global, multi-stakeholder consultations on a new Strategy to help its clients achieve environmental sustainability. The current phase of consultations is an open dialogue on the new Environment Strategy. Please read the concept note and provide your comments and also read what others are saying at www.worldbank.org/en/environmentconsultations.

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