



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
Second Education Development Project

Report No. 113148

MARCH 30, 2017

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1818 H Street NW  
Washington DC 20433  
Telephone: 202-473-1000  
Internet: [www.worldbank.org](http://www.worldbank.org)

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World Bank. 2017. Project Performance Assessment Report: Lao People's Democratic Republic—Second Education Development Project. Washington, DC: World Bank.

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**Report No.: 113148**

**PROJECT PERFORMANCE ASSESSMENT REPORT**

**LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**SECOND EDUCATION DEVELOPMENT PROJECT**  
**(IDA CREDIT NO 38860; IDA GRANT NO H0840; IDA GRANT NO H5410;**  
**TF NO 92092)**

**March 30, 2017**

**Human Development and Economic Management**  
*Independent Evaluation Group*

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## Currency Equivalents (annual averages)

*Currency Unit = Lao kip (KN)*

2005	US\$1.00	KN10,436.39
2006	US\$1.00	KN10,583.48
2007	US\$1.00	KN9,811.81
2008	US\$1.00	KN9,231.00
2009	US\$1.00	KN8,565.87
2010	US\$1.00	KN8,447.99
2011	US\$1.00	KN8,084.53
2012	US\$1.00	KN8,009.41
2013	US\$1.00	KN7,922.80
2014	US\$1.00	KN7,797.43

*All dollar amounts are U.S. dollars unless otherwise indicated.*

## Abbreviations and Acronyms

ADB	Asian Development Bank
ASLO	Assessment of Student Learning Outcomes
CAS	country assistance strategy
CBC	community-based contracting
EDP1	First Education Development Project
EDP2	Second Education Development Project
EMIS	Education Management Information System
FTI-EFA	Fast-Track Initiative–Education for All
ICR	Implementation Completion and Results Report
IDA	International Development Association
IEG	Independent Evaluation Group
IT	information technology
PAD	project appraisal document
PASEC	Programme d’analyse des systèmes éducatifs de la CONFEMEN
PDO	project development objective
PPAR	Project Performance Assessment Report
SDG	Sustainable Development Goals
UNICEF	United Nations Children’s Fund

## Fiscal Year

Government: October 1– September 30

Director-General, Independent Evaluation:  
 Director, Human Development and Economic Management:  
 Manager, Corporate and Human Development:  
 Task Manager:

Ms. Caroline Heider  
 Mr. Auguste Tano Kouame  
 Ms. Marie Gaarder  
 Mr. Erik Bloom

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This report was prepared by Erik A. Bloom, task manager, and Inthasone Phetsiriseng, consultant, who assessed the project in December 2016. The report was peer reviewed by Estelle Rosine Raimondo and panel reviewed by Judyth L. Twigg. Aline Dukuze provided administrative support.

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## Principal Ratings

	<b>ICR*</b>	<b>ICR Review*</b>	<b>PPAR</b>
Outcome	Moderately satisfactory	Moderately satisfactory	Satisfactory
Risk to Development Outcome	Moderate	Moderate	Low to negligible
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Moderately satisfactory	Satisfactory

\* The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Bank global practice. The ICR Review is an intermediate IEG product that seeks to independently validate the findings of the ICR.  
 Note: PPAR = Project Performance Assessment Report.

## Key Staff Responsible

<b>Project</b>	<b>Task Manager or Leader</b>	<b>Sector Director</b>	<b>Country Director</b>
Appraisal	Rosemary T. Bellew	Emmanuel Y. Jimenez	Ian C. Porter
Completion	Boun Oum Inthaxoum	Xiaoqing Yu	Ulrich Zachau

**IEG Mission: IEG Mission: Improving World Bank Group development results through excellence in independent evaluation**

### About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the World Bank's self-evaluation process and to verify that the World Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20–25 percent of the World Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or World Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, interview World Bank staff and other donor agency staff both at headquarters and in local offices as appropriate, and apply other evaluative methods as needed.

Each PPAR is subject to technical peer review, internal IEG Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible World Bank country management unit. The PPAR is also sent to the borrower for review. IEG incorporates both World Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the World Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

### About the IEG Rating System for Public Sector Evaluations

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: <http://ieg.worldbankgroup.org>).

**Outcome:** The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current World Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, and Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension is not applied to development policy operations, which provide general budget support. *Possible ratings for outcome:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory.

**Risk to Development Outcome:** The risk, at the time of evaluation, that development outcome (or expected outcomes) will not be maintained (or realized). *Possible ratings for risk to development outcome:* high, significant, moderate, negligible to low, not evaluable.

**World Bank Performance:** The extent to which services provided by the World Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for World Bank performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory.

**Borrower Performance:** The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for borrower performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory.



## Preface

This Project Performance Assessment Report (PPAR) assesses a primary education project in the Lao People's Democratic Republic, the Second Education Development Project, commonly known as EDP2. This program was financed by the World Bank and the government of Australia. The project was approved in April 2004, and closed in August 2013. The World Bank's total contribution was \$28.2 million.

This report was prepared by Erik Bloom, Senior Economist, IEG and Inthansone Phetsering, consultant. The findings are based on an extensive review of the literature, project reports, and a field visit, December 4–18, 2016. This mission included a field visit to Oudamxay province. The mission talked to current and retired staff involved in the project's implementation in the Ministry of Education and Sports and with staff from the World Bank and the government of Australia. The mission also met with education officials at the province and district levels in Oudamxay province. The mission also visited five remote schools in two districts.

As much as possible, the PPAR cites publically available documents, and when appropriate, it refers to interviews and internal documents. The mission would like to express thanks for support from Mr. Lytou Bouapao (deputy minister of education and sports), Mr. Somsanit Southiving (deputy head of Oudomxay Province Education and Sports Service), and Ms. Khampaseuth Kitignavong (project manager, International Cooperation). The mission acknowledges the extensive support from current and retired Ministry staff, development partners, World Bank staff, and a large number of dedicated and enthusiastic local officials, school administrators, teachers, parents, and students.

Following standard IEG procedures, a copy of the draft report was sent to the relevant government officials and agencies for their review and feedback. No comments were received. The cooperation and assistance of all persons who contributed to the preparation of the report is gratefully acknowledged.



## Summary

**Background.** The Lao People’s Democratic Republic (Lao PDR) is a landlocked, sparsely populated, multiethnic country. Recent economic growth, largely driven by market-based reforms and natural resources, has fueled much local development, including a rapid expansion of the road network and of the electrical grid. The World Bank identified the low level of education as a major constraint to further development. Currently, only about one-third of the workforce has secondary education. While enrollment in primary education is nearly universal at grade one, many students never graduate.

**The Project.** The World Bank started supporting the basic education sector in 1993 as the country started its transition to a market economy. After this first project closed in 2000, the World Bank and the government agreed to prepare the Second Education Development Project (EDP2). The project’s credit agreement states the project’s development objective as:

*To assist the Borrower to achieve universal completion of primary education by implementing the education policies and reform actions set forth in its Letter of Education Policy, including increasing access to, and the completion of, primary school in the project provinces, improving the quality of access to, and the completion of, primary school in the project provinces, improving the quality of education, and building the policy development and management capacity of its Ministry of Education.*

This report will evaluate the project against the achievement of universal completion of primary education. The project had three components.

**Component A. Increase access and completion of primary education in the poorest districts** (Appraisal: \$6.6 million; Additional Financing: \$10.6 million; Actual: \$19.0 million). This component aimed to raise primary school enrollment and completion in six poor provinces. To address the lack of physical access, it supported community-based contracting, which allowed communities to build schools.

**Component B. Improve the quality of primary education** (Appraisal: \$2.3 million; Actual: \$1.77 million). This component aimed to improve education outcomes at the primary level. It supported the development and provision of learning materials as well as the operationalization of a student learning assessment system.

**Component C. Strengthen capacities for policy analysis and management** (Appraisal: \$4.4 million; Additional Financing: \$3.6 million; Actual: \$8.9 million). This component supported efforts to strengthen the capacity of the Ministry of Education and Sports, including the development of a management information system and strengthening the MOES’s policy-making and administrative capacity.

**The relevance of objectives is rated high.** The project’s focus on ensuring universal primary education was in line with the Millennium Development Goals and Lao PDR’s development strategy. The 2005 Country Assistance Strategy clearly articulated the project’s objective. Likewise, the project was aligned with the 2012 Country Partnership Strategy and its objective of “expanded access to improve the quality of primary

education in targeted, disadvantaged districts.” The recent Systematic Country Diagnostic identifies quantity and quality of education as core priorities.

**The relevance of design is rated substantial.** All three components make a clear contribution to the project’s objective. The components were well designed and largely have the necessary elements to make the desired contributions. The project specifically supported a “low-cost” solution to target support to areas with low access. The project supported quality at the national level by starting to improve learning in the long term.

**Project implementation.** The implementation of the project was divided among the central government, a government research institute, and local governments. The project became effective in January 2005, eight months after approval. Throughout implementation, disbursements were in line with projections and activities were carried out on time. The mid-term review took place in 2007, as originally scheduled. The review made some minor adjustments to the project.

Since the project performed well, the World Bank and the government agreed to additional financing to cover additional remote communities. This was done by extending the project from 2010 to 2013 and providing additional financing of \$15.5 million. The government of Australia supported a trust fund of \$2.9 million in 2008 and 2009 to finance additional infrastructure.

**Compliance.** The project triggered three safeguards: Environmental Assessment (OP 4.01), Indigenous Peoples (OP.4.10), and Involuntary Resettlement (OP 4.12). The Operations Manual included safeguards guidelines and a complaint mechanism. The financial management risk was rated as **substantial**. The audits were positive, and procurement reviews showed that the project was in compliance.

**Achievement of objectives is rated substantial.** The project made an important contribution to improving both the net enrollment and the primary completion rate. The project’s contribution was primarily due to its support for increasing coverage in poor and remote areas. There was clear indication that the project provinces are moving toward universal primary education and largely converged to national averages. They are directly associated with the increase in the number of classrooms in the provinces that the project financed. There appear to have been moderate increases in competency in the Lao language from 2006 to 2009, while the level of mathematics competence decreased from a low baseline. While the project did provide some support to teacher training and curriculum development, this support was minimal. Other investments, particularly in governance, are likely to have had made a contribution. The World Bank worked closely with the governance to develop an assessment system that responded well to the government’s priority.

**The efficiency of the project is rated high.** By all accounts, this project’s school construction model (community-based contracting) led to the schools being substantially less expensive even though they were located in remote areas. Most of these schools have operated for 8–10 years without any major maintenance or renovation. From a financial management perspective, the project was efficient. The project maintained its disbursement schedule.

**The project has an overall outcome rating of satisfactory.** The project’s relevance of objectives was **high** and relevance of design was **substantial**. The project’s efficacy is rated as **substantial** due to its contribution to improving both the enrollment and completion rates. The project had a **high** level of efficiency as community-based contracting led to lower costs for construction and maintenance.

**The risk to development outcome is rated low to negligible.** All of the project’s schools remain open and are being maintained. Other projects are now using the project’s school construction model. Likewise, since the government had a high degree of ownership of the project’s support for learning assessment, it continues to use the system in other projects. The government remains committed to the project’s objective and development partners have continued to finance similar interventions.

**Overall World Bank performance is rated satisfactory.** Reflecting the World Bank’s strong technical preparation, the **quality at entry is rated satisfactory**. The World Bank provided high quality support to the project, and the **quality of World Bank supervision is rated satisfactory**.

**Overall borrower performance is rated satisfactory.** This represents **government performance, rated satisfactory**, reflecting the high level of commitment at both the national and local levels in implementing the project. **The implementing agency performance is rated satisfactory.** This reflects the coordinating unit’s strong capacity and proactivity.

**The project monitoring and evaluation is rated satisfactory.** This reflects strong implementation and application of the monitoring and evaluation system in many aspects of the project as well as the continued use of the project’s monitoring and evaluation system after closure.

**There are a number of important lessons from the project.**

- **There are cost-efficient solutions to reach remote students in low-income countries.** Faced with the challenge of the “last mile” in universal coverage, the project showed that it was possible to reach out-of-school children at a low cost using community-based contracting.
- **Direct technical support from World Bank staff can make an important contribution to implementation and outcomes.** World Bank staff provided substantial direct technical assistance; there was a broad consensus that the role of World Bank staff was key in the project’s success.
- **Sustainable student assessment systems take time to develop and to contribute to the education system.** The project was successful in establishing a sustained assessment system. Much of the benefits of assessment are now being realized more than a decade after the project was approved. In particular, other partners are using a single assessment system instead of ad hoc assessments.
- **The ownership of learning assessments is a complicated process.** The project showed that direct and continuous engagement with policy makers can build ownership of learning assessments. National policy makers in MOES and in the wider government were aware of the importance of assessment and they provided

substantial support. However, while local policy makers broadly understood the results, they generally did not see how they were relevant. This suggests that there should have been a higher level of engagement at the local level.

Auguste Tano Kouame  
Director  
Human Development and  
Economic Management Department

# 1. Background and Context

## Country Background

1. The Lao People's Democratic Republic (Lao PDR) is a landlocked, sparsely populated, multiethnic country located in the Mekong River Basin. Lao PDR is rich in natural resources, ranging from hydroelectric power to forestry and minerals. The country's population was 6.8 million in 2014, with a very low population density of 24 people per square kilometer, compared with 88 per square kilometer in Cambodia, 296 in Vietnam, and 338 in the Philippines. Since it opened its economy in the 1990s, it has seen rapid economic growth (consistently above 6 percent since 2003), leading Lao PDR to lower-middle-income status. From 1995 to 2015, the share of agriculture in the gross domestic product has dropped from 56 percent to 27 percent.
2. This economic growth has fueled much local development, including a rapid expansion of the road network and of the electrical grid. Growth led to greater urbanization as well as the expansion of the market economy. Social indicators have increased substantially, with a fertility rate of 3.0 births per women in 2014, compared with 3.7 in 2005, and 5.4 in 1995. During the same period, infant mortality dropped from 140 per 1,000 births in 1995, to 97 in 2005, and 65 in 2014.
3. Since the 1990s, there have been several major reforms of the education system. The current system, which was reformed in 2012, has a five-year primary cycle, a four-year lower secondary cycle, and a three-year upper secondary cycle. While enrollment in primary education is nearly universal at grade one, many students never enter or finish lower secondary school.
4. The World Bank has identified the quality and relevance of education in Lao PDR as a major constraint to further development. Despite rapid growth, many adults suffer from limited access to schooling during their youth. Currently, only about one-third of the workforce has secondary education, and the low level of education is likely to be a major barrier for workers transferring from the agricultural sector to the urban sector (World Bank, 2015).
5. The government recognizes 47 different ethnicities, who speak different languages and have different cultural practices. While the government supports the right of all ethnicities to communicate in their languages, its official policy is that the national language is Lao. The Lao language, which is the mother tongue to about 30 percent of the population, is used exclusively in the national curriculum beginning in grade one of primary education.

## Project Context

6. The World Bank started supporting the basic education sector in 1993 as the country started its transition to a market economy. The first project (the Education Development Project, 1993–2000, \$9.0 million) focused primarily on a combination of construction, training, and development of new learning material (World Bank, 2014). After this project closed in 2000, the World Bank and the government started developing an Adaptable

Program Loan to support education. The World Bank proposed a national program of support for both primary and secondary education over 10 years through a series of three projects. The World Bank also proposed a focus on bilingual education, involving a combination of mother-tongue education with the use of the Lao language. The government raised concerns about this approach, which was not in line with national policy.

7. After pressure from the government, the World Bank and the government decided that this approach was not realistic. Instead, they agreed to prepare the Second Education Development Project (EDP2) as stand-alone investment. The National Poverty Eradication Program, which was the country's poverty reduction strategy from 2001 to 2004, provided the project's context. The project was financed by a combination of concessional credits (\$5.3 million) and by the International Development Association's (IDA) grant for the poorest countries (\$7.7 million).

8. At the time of approval, the largest donors for education were the governments of Australia and Japan as well as the Asian Development Bank (ADB) and the World Bank. While these donors often had different focuses and approaches, there was broad alignment on goals and cooperation. Given the large size of the country and the small number of donors, there was little overlap. The ADB supported basic education in Lao PDR.<sup>1</sup> This project covered most provinces in the country, including the EDP2 provinces, and supported the construction of new schools. During the project preparation period, the government of Australia provided much of its support by cofinancing ADB and World Bank. Japan focused primarily on larger schools throughout the country.

## 2. Objectives, Design, and Their Relevance

### Objectives

9. According to the credit agreement, the project's development objective was:

*To assist the Borrower to achieve universal completion of primary education by implementing the education policies and reform actions set forth in its Letter of Education Policy, including increasing access to, and the completion of, primary school in the project provinces, improving the quality of access to, and the completion of, primary school in the project provinces, improving the quality of education, and building the policy development and management capacity of its Ministry of Education.*

10. Based on the above objective, the PPAR will evaluate the project against the achievement of "universal completion of primary education" as stated at the beginning of the objective. The objective remained the same during implementation. The PPAR will also evaluate intermediate outcomes to achieve this objective: (i) increasing quality access, (ii) improving the quality of education nationally, and (iii) building the capacity of the Ministry.

11. The project appraisal document (PAD) articulated a different PDO, which is more focused and captures the primary objective in the credit agreement:

*To increase primary school enrollment and completion in the 19 poorest districts of the six poorest provinces.*



## Relevance of Objectives

12. The project's focus on ensuring universal primary education was in line with the Millennium Development Goals (MDG #2), which in turn were major inputs in Lao PDR's development strategy. Likewise, the current Sustainable Development Goals include many elements contained in the objective. In particular, SDG #4 calls for universal primary quality education, which is in line with the project's objective.

13. The 2005 Country Assistance Strategy articulated the project's objective, particularly in CAS objective 2: "improve social outcomes and reduce vulnerability through strengthened finance management and service delivery capacities and targeted poverty reduction programs." The project's high-level outcomes included strengthening the government's capacity and improving education service delivery while providing a specific focus on target areas ("the project provinces"). The Strategy incorporated the project's outcomes for measuring objective 2.

14. Likewise, the project was aligned with the current (2012) Country Partnership Strategy. The Strategy's objective 3.2 is "expanded access to improve the quality of primary education in targeted, disadvantaged districts." The Strategy's objective is similar to the PDO in both intent and wording. The Strategy also makes specific reference to the project, which was in the process of closing at the time the Strategy was articulated, as well as to its successor project. The Strategy also describes many of the project's activities, such as multigrade teaching and community grants, among others. While the World Bank has not finalized its Country Partnership Framework, it has prepared a Systematic Country Diagnostic report. The diagnostic identifies increasing the quantity and quality of education as core priorities, very much in line with the project's objectives and its design.

15. The relevance of objectives is rated **high**.

## Design

### COMPONENTS

16. As designed, the project had three components that broadly matched the government's education sector strategy:

17. **Component A. Increase access and completion of primary education in the poorest districts** (Appraisal: \$6.6 million; Additional Financing: \$10.6 million; Actual: \$19.0 million). This component aimed to raise primary school enrollment and completion in 19 districts located in the poorest six provinces (Houphah, Louangnamtha, Oudomxay, and Phongsaly, in the north and Attepeu and Xekong in the south). The component supported community-based contracting, which transferred financial resources to communities to allow them to construct local infrastructure (see box 2.1). The selection of project districts and provinces was based on poverty and social indicators. Within those districts, the project gave priority to communities with "incomplete" schools, those without sufficient classrooms for all grades. Underlying this was the assumption that physical access was a major binding constraint in a country where road access is a major challenge and population density is quite

low. The project set a goal of financing 50 percent of its classrooms in ethnic minority communities and 50 percent in remote (“off-road”) areas.

18. The component also included community grants to support the operation and maintenance of schools as well as the cost of transportation and supplies. Finally, the component supported the training of both certified (trained) and contracted (untrained) teachers, particularly working in multigrade education.

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### **Box 1. Community-Based Contracting**

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EDP2 introduced community-based contracting to procure approximately two-thirds of the project’s expenditures. It remains an important and commonly used form of procurement in the education sector in Lao PDR.

Under CBC, the project contracts the community to construct infrastructure. Each community is responsible for purchasing materials and hiring labor to carry out the work. The community typically provides volunteer labor for basic construction tasks and hires several (typically three–six) experienced construction workers either in the same village or nearby. In Lao PDR, this consists of village authorities, communist and mass organizations, parents, teachers, and school administrators.

CBC advocates argue that communities have ownership of their schools, allowing them to keep the cost of construction down. Likewise, CBC has the potential to strengthen the local economy as the construction workers are either local or move to villages during construction.

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19. **Component B. Improve the quality of primary education** (Appraisal: \$2.3 million; Actual: \$1.77 million). This component aimed to improve education outcomes at the primary level. It supported the development and provision of textbooks and teaching guides as well as the establishment of a student learning assessment system and implementation of the Assessment of Student Learning Outcomes (ASLO).

20. **Component C. Strengthen capacities for policy analysis and management** (Appraisal: \$4.4 million; Additional financing: \$3.6 million; Actual: \$8.9 million). This component supported efforts to strengthen the capacity of the national Ministry of Education and Sports to manage the primary education sector, including the development of a management information system and the preparation of an impact evaluation. It included activities to strengthen Ministry’s policy-making and administrative capacity, complemented with support to the National University of Laos to establish an Education and Management Department. The component also provided support to project management.

21. The project also included a project preparation facility of \$0.2 million. The facility supported the government’s preparation of the project. Although the project had several restructurings, none of these modified the components. Several of them increased financing, which served to expand ongoing activities.

## IMPLEMENTATION ARRANGEMENTS

22. The implementation of the project was divided among the central government, a government research institute, and local governments. These different organizations had clear responsibilities regarding both managing resources and producing outputs.

- At the central level, the **Ministry of Education and Sports** organized a project management unit in its Department of Planning (the EDP2 Coordination Unit—), which was responsible for overall administrative and fiduciary management of the project. The Coordination Unit replaced the independent project management unit used for the EDP1. It was responsible for carrying out major procurement, fiduciary supervision, and for providing overall guidance and supervision of the project.
- The **Research Institute for Education Science**, which is part of the Ministry of Education and Sports, is a semiautonomous body. It played a central role in designing and implementing the ASLO. The Institution also played the central role in preparing new textbooks and learning materials.
- Lao PDR has a decentralized government structure, with local government having authority to allocate resources to different sectors including the education sector. The **Provincial Education Services** played a major role in coordinating the project and supervising activities. The **District Education Bureaus** were largely responsible for implementing the project at the school level, providing support to communities in preparing and implementing construction, transferring resources, and training community members.

## Relevance of Design

23. The objective focuses on achieving universal primary education through a series of intermediate outcomes. Thus the relevance of the design is a combination two factors: the relevance of the intermediate outcomes and the project’s support for these actions. The actions in the objective are relevant. Many focus directly on access and improving completion, particularly in the poorest districts (“the project provinces”). The quality of education also plays an important role, in both encouraging students to stay in school and ensuring that education has real added value. Supporting MOES is also important to ensure that primary education has the resources and the direction needed to reach universal primary education.

24. **Component A** focused on improving coverage and quality in 19 poor districts in the six poorest provinces based on socioeconomic data. The component used community grants for the construction of schools. The component’s hypothesis was that community grants would allow communities to take the lead in construction, addressing the difficulty of hiring construction firms for small-scale infrastructure work in isolated areas. The project also targeted this support to areas with difficult access that had not received support from other development agencies. The project specifically supported a “low-cost” solution, trading infrastructure quantity for infrastructure quality. The project supported the construction of semipermanent schools, which are the most common type of school in rural areas. Given the nature of the schooling gap, this was a reasonable solution.

25. While this approach allowed communities some flexibility in construction and the purchase of materials, the solution was not as ambitious as a school-based management model. Given the political organization of Lao PDR and the lack of experience in the community, a full-scale community management model was probably not realistic. Instead, the project opted for a more “community-driven” approach that brought together village authorities with the school and the broader community.

26. The component also included support for upgrading teachers, particularly contract or “untrained” teachers. While these contract teachers are necessary due to the shortage of trained teachers in many rural areas, they are likely to be a constraint on quality. The training aims to improve their capacity to permit formal certification to prepare teachers for multigrade education.

27. **Component B** focused on the larger goal of quality at the national level. The component supported two interrelated sets of activities: (i) developing new learning materials, and (ii) strengthening learning assessment at the primary level. Although the project formally focused on textbooks and other publications, it involved a substantial review of what is taught and how it is taught. The project planned for this to be supported by the establishment of the RIES, which was essential for the implementation of national assessments. The assessments would allow the education system to receive feedback for the design of future learning material and training. While the focus on quality was important, the amount of support was limited compared to the apparent challenge.

28. **Component C** focused on strengthening Ministry. This component included building capacity for policy making and developing a culture of information. The component also supported efforts to increase the efficiency of the Ministry through capacity building in different departments.

29. All three components make a clear contribution to the objective as described in the credit agreement. The components were well designed and have the necessary elements to make the desired contributions. Given this, the relevance of design is rated **substantial**.

### 3. Implementation

#### Planned versus Actual Expenditure by Component

30. The project received a substantial amount of additional financing throughout its implementation period from both IDA and the Australian government. Table 1 outlines the expenditure by component.

**Table 1. Allocation of Resources (US\$, millions)**

<b>Component</b>	<b>Original Allocation</b>	<b>Additional Financing</b>	<b>Australian Trust Fund</b>	<b>Actual Allocation</b>
A. Increase access and completion of primary education in the poorest districts	\$6.5	\$10.6	\$2.9	\$19.0
B. Improve the quality of primary education	\$2.1	\$0.0	\$0.0	\$1.8
C. Strengthen capacities for policy analysis and management	\$4.4	\$3.6	\$0.0	\$8.9
Project preparation facility	\$0.2	\$0.0	\$0.0	\$0.2
Total	\$13.0	\$15.2	\$2.9	\$29.9

## Implementation Experience

31. The project's design process was slow, as the government and the World Bank had to address disagreements over language policy, the project's scope, and the type of credit. EDP2 was not approved until April 2004, after a two-year preparation period. The World Bank and the government decided to develop a traditional investment loan, focusing on primary education in poorer districts with some focus on quality at the national level as well as support for the Ministry. After much discussion, the project also focused on Lao language education, by gradually introducing an approach that treated Lao as a second language for the children of non-mother tongue speakers.

32. The project became effective in January 2005, eight months after approval. The government had access to a project preparation facility to support the government to establish project operations. The Coordination Unit used the grant to prepare several key operational manuals and guidelines, to hire consultants, and to establish necessary accounts for the projects. These actions supported meeting the legal agreement's effectiveness conditions.

33. The project began its operations relatively smoothly. Throughout implementation, the project's actual disbursements were in line with projected disbursements, and the project carried out the activities on time. By 2006, a large number of activities were underway, including the construction of the first set of classrooms, the completion of the first round of ASLO, and initial work on teacher training and the development of new textbooks.

34. The mid-term review was held in 2007, as originally scheduled. The review's main conclusion was that the project was on track to achieve the PDO. During the review, the government and the World Bank agreed to some modifications, including a reduction in the number of indicators, an increase in the production of textbooks, and an increase in the number of teachers to be trained. Because the cost of construction had increased by 17 percent over the originally projected baseline due to an increase in the price of wood, the review agreed to reduce the number of classrooms.

35. Given the project's good performance, the government of Australia supported a trust fund with the equivalent of \$2.9 million in 2008 and 2009. These funds were to support component A to construct additional schools and to increase the number of trained teachers. In 2010, the World Bank provided an additional \$15.5 million for components A and C. In

the case of component A, this additional financing was to increase the total number of classrooms constructed to expand the project's coverage. To accommodate these additional resources, the government and the World Bank agreed to extend the project from 2010 to 2013. The project closed in 2013, with the cancellation of \$2.1 million from the IDA grant. This was largely due to exchange rate gains. Since the project had completed all activities in the IDA grant, the government and the World Bank decided to cancel the remaining amount. Likewise, the project canceled \$0.4 million (from the Australian trust fund) because of delays in the construction of some schools.

36. As planned, the project introduced community-based contracting to construct classrooms in remote areas. This approach was new for Lao PDR. In 2010, the Australian government financed an independent review of the construction ("quality audit").<sup>2</sup> The review presented evidence that some of the schools may have been poorly sited, due to the risk of flooding or landslides, posing risks to students. A subsequent review, carried out after the project closed, showed that 14 out of 550 schools needed urgent renovation.

37. The quality audit also identified several maintenance issues that required renovation, including the risk of termites and issues with the roofing, damaged floors, and the replacement of low-grade support columns. The Australian government financed a review of each school to identify maintenance needs. After the project ended, the Australian government provided additional financing to maintain the schools. As of January 2017, this process was ongoing. The work included fixing water damage to roofs, treating wood against termites, repairing floors, and strengthening columns. The ADB's Project Completion Report noted similar issues with its schools, despite using external contractors (ADB 2008). The ADB also had unspecified problems that limited construction in remote areas.

38. The quality audit also raised concerns about the availability of water in schools. The project included sanitary facilities as part of its support. However, in many cases, schools did not have access to a water supply, leading to unusable facilities. The review argues that providing adequate water required resources going well beyond what the project could provide on its own. It recommended greater coordination to ensure an adequate water supply. Gradually, with the support of other initiatives, more schools are being connected to reliable water supplies. The ADB also faced similar challenges with water in its schools.

#### **SAFEGUARDS COMPLIANCE**

39. The project triggered three safeguards: Environmental Assessment (OP 4.01), Indigenous Peoples (OP 4.10), and Involuntary Resettlement (OP 4.12). In addition to the initial assessment carried out in appraisal, there was an Integrated Safeguard Report in 2008. This was prepared to coincide with the mid-term review before the government formally requested a restructuring for additional financing.

40. The PAD's Ethnic Minority Plan contained an extensive review of the status and educational backgrounds of ethnic minorities and included a list of concrete actions. Lao PDR is a multiethnic country. At the time of project approval, there were 47 recognized ethnic groups. About 45 percent of the population are in a minority ethnic group, defined as non-mother tongue Lao language speakers.

41. The PAD argued that safeguards built into the project that would prevent involuntary resettlement, including the requirement that participating schools already existed and would only be expanded, the use of community-based contracting, and the relatively small nature of the investment. The Integrated Safeguard Report in 2008 did not discuss the Involuntary Resettlement safeguard. At the time of closing, the ICR reported no resettlement due to the project.

42. The project triggered the Environmental Assessment. The PAD indicated that the project was classified C, indicating no particular safeguard needed to be included. This reflected the finding that it was highly unlikely that the project would harm the environment. The ICR mentioned that there was no need for environmental safeguards since the project was rated C on environmental assessment. It did not indicate any environmental issues.

43. The PAD did acknowledge environmental health issues, such as the use of asbestos as construction material, and proposed guidelines to address these contingencies. These were included in the Operations Manual, which had guidelines on both involuntary resettlement and environmental concerns along with a mechanism to manage complaints related to all three safeguards.

#### **FINANCIAL MANAGEMENT AND PROCUREMENT**

44. In the PAD, the project's financial management assessment was positive. The Ministry had participated in earlier projects with both the World Bank and the Asian Development Bank and was familiar with procedures. The disbursement conditions and procurement limits were standard. Component A authorized the use of statements of expenditure in place of the full procurement procedures. The project also had a special account to expedite transactions.

45. Initially, there were some delays in disbursement due to the lack of experience in villages in managing financing and due to delays in contracting some consultants. These delays were mostly due to the slow liquidation of the advances from the special account and delays with unaudited interim financial reports. They also reflected the complicated government disbursement requirements. The project addressed these issues by raising the limit of the special account and by establishing a separate accounting system to ensure that the flow of funds was efficient.

46. Throughout the project, the financial management risk was rated as substantial, which is better than the country risk rating of high. There was one corruption complaint, which was raised by the Coordination Unit after discovering that a district official was misusing funds. The World Bank investigated the matter and recommended that the government use administrative sanctions, including the refund of the funds in question.

47. The audits were positive, and the ex-post procurement reviews showed that the project was in compliance with World Bank procurement guidelines. The World Bank consistently rated procurement as satisfactory in its regular supervision reports and interviews during the PPAR mission. One important aspect of the project was the use of community contracting for the construction and modification of schools.

## 4. Achievement of the Objectives

### Objective: Achieve universal completion of primary education

48. The project had one objective that explicitly included several intermediate outcomes. The PDO supported universal primary education, focusing on improving access in six of the poorest provinces while simultaneously improving learning and the governance of the education sector nationally.

#### INCREASE THE QUALITY OF ACCESS IN PROJECT PROVINCES

##### *Outputs*

49. Overall, the project financed 2,466 classrooms, compared with a target of 2,409 classrooms. The Ministry's information system, EMIS, has data on the number of classrooms at the district and province level from 2007 to 2016. By 2007 (during the mid-term review), the project had financed 668 classrooms; the original target was for 800 classrooms by the end of the project in 2010. Therefore, the project financed at least 1,798 classrooms in the period 2008–13. Table 2 presents the number of classes that have been in the project provinces as well as the growth rate. Except in Phongsaly, the number of new classrooms in the project provinces grew faster than the national average; between 2008 and 2014, 41 percent of new classrooms in the country were in project provinces. In 2015, these six provinces accounted for 19 percent of the total population of Lao PDR.

**Table 2. Number of Classrooms and Schools in Project Provinces and Nationally**

Project province	Number of Classrooms			Number of Schools		
	2008	2014	Annual growth rate	2007	2014	Annual growth rate
Phongsaly	1,204	1,235	0.4%	523	521	0.0%
Luangnamtha	1,046	1,231	2.3%	371	389	0.6%
Oudomxay	1,414	1,907	4.3%	454	479	0.7%
Huaphanh	1,706	2,077	2.8%	719	756	0.6%
Sekong	548	737	4.2%	203	222	1.1%
Attapeu	660	774	2.3%	185	185	0.0%
Project provinces	8,580	9,864	2.0%	2,455	2,552	0.4%
Lao PDR	29,769	33,173	1.5%	8,555	8,699	0.2%

*Source:* Lao PDR Education Statistics.

50. Because the Education Statistics Database was recently developed, there may be some errors regarding the number of new classrooms. In theory, table 2 should only report the number of classrooms that exist during the school year. However, it is quite likely that this table excludes many temporary (low-quality) classrooms. Table 2 therefore is likely to capture the growth of semipermanent classrooms, which is often done by eliminating a temporary classroom. Thus this table captures the upper limit of the project's contribution in building totally new classrooms. This classification of classrooms is a national issue and occurs in the data of all provinces. With these caveats, the project almost certainly constructed a large majority of new classrooms in the project provinces.



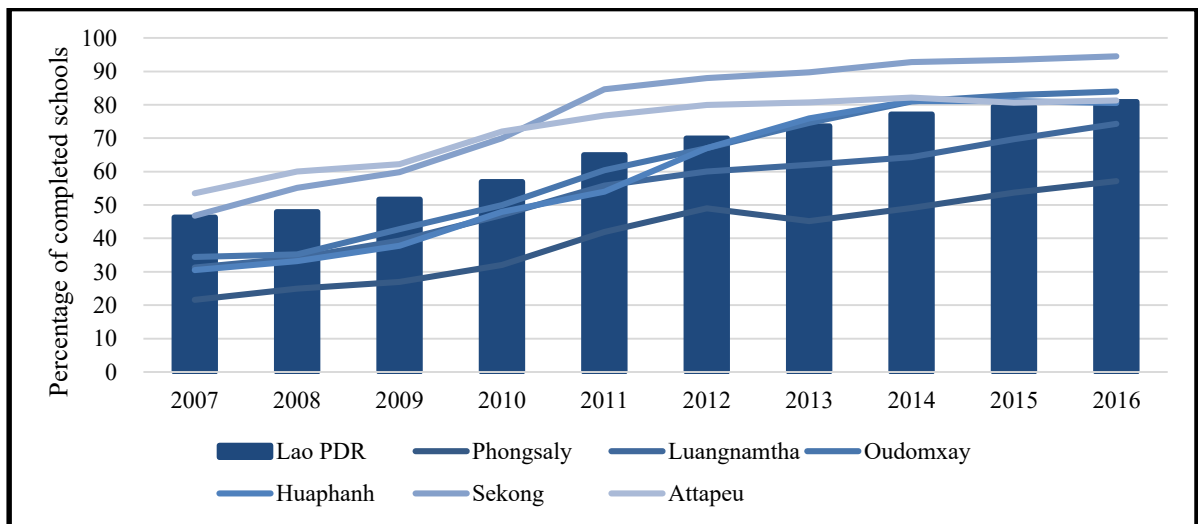
51. While it is not possible to estimate what percentage of the new classrooms were supported by the project with existing data, the project had a definite a pro-poor focus in the construction of infrastructure. Project data show that 82 percent of the classrooms were built in ethnic minority villages (compared with a target of 50 percent) and 61 percent were built in remote or “off-road” areas (compared with a target of 50 percent).

52. While, technically speaking, the project only constructed classrooms in existing schools, its support may also have contributed to the increase in the number of schools as reported in table 4. As above, there are likely to be some problems with the statistics, as it is likely that some provinces only classified permanent and semipermanent schools in their education statistics. For example, a village might replace a temporary school with a semipermanent school and only then would the information system properly count the school. The data show that two-thirds of new schools in the country were in the project provinces and that the rate of school construction was higher in four project provinces (Huaphanh, Luangnamtha, Oudomxay, and Sekong) than the national average.

### *Intermediate Outcomes*

53. One of the project’s primary outcomes is converting incomplete schools into complete schools. A completed school offers all five grades of primary school. An incomplete school only offers lower grades (typically up to third grade) and students have to find alternatives for the upper grades. This causes many students to drop out because they do not have access to further education. Figure 1 shows the proportion of complete schools.

**Figure 1. Percentage of Complete Schools in Project Provinces and Nationally, 2007–16**



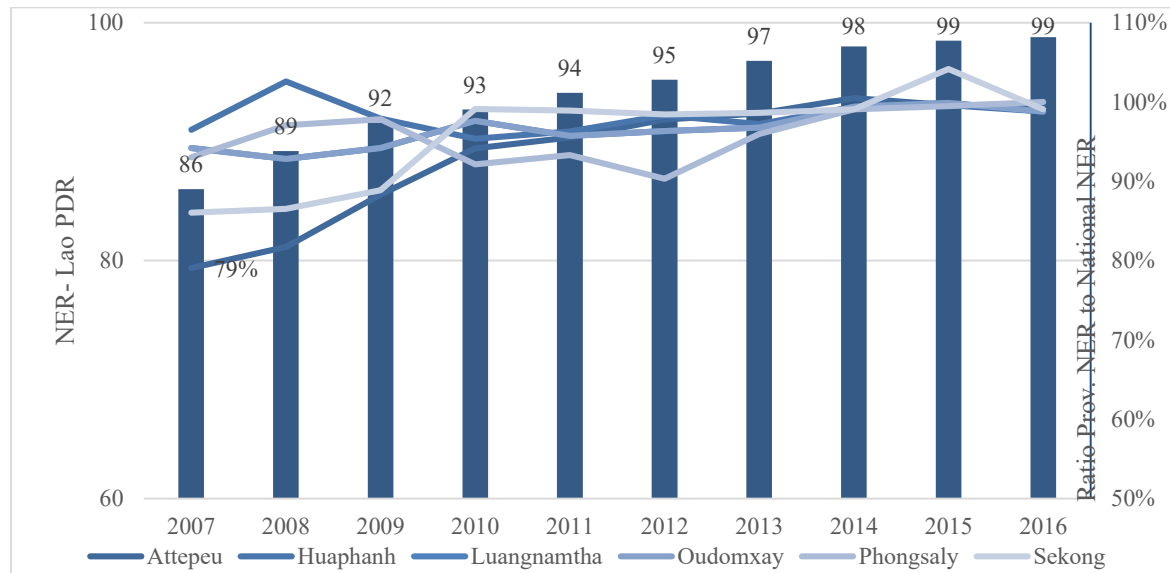
Source: Lao PDR Education Statistics.

54. In 2007, slightly less than 50 percent of primary schools in Lao PDR were complete. At that time, only two project provinces (Attapeu and Sekong) had an equal or greater proportion of completed schools than the national average. By 2014, 77 percent of primary schools in Lao PDR were complete. Three provinces (Attapeu, Huappahn, and Oudamxay) had reached the national average. In these three provinces, there was little increase after the project ended, indicating that the project was driving these trends. Luangnamtha also saw a

substantial increase in the number of complete schools but did not reach the national average. Phongsaly had the lowest starting point and remained below the national average.

55. Figure 2 shows the national net enrollment rate (on the left axis) and how the project provinces compare with the national levels (on the right axis). Overall, during project implementation, there was a major increase in the national enrollment rate, which increased from 86 percent to 99 percent. The net enrollment rate was estimated to be 58 percent in 1990 and 76 percent in 2000. According to official data, in 2007, most of the project provinces had net enrollment rates below the national level. By 2015, all of the provinces had reached the national average. The provincial level enrollment rates were generated by the project's information system, starting in 2007. It is likely that the gap between provinces and the nation was higher in 2004.

**Figure 2. National Net Enrollment Rate and Ratio of Province to National Net Enrollment Rate, 2007–16**



Source: Lao PDR Education Statistics.

Note: NER = national enrollment rate.

56. Data on net enrollment relies both on the accuracy of school enrollment data (the numerator) as well as a reliable estimate of the school-aged population (the denominator). The project's activities did support efforts to improve the collection of data at the local and school levels. However, respondents during the PPAR mission confirmed that while the data has improved, there are still some issues. Despite these caveats, it is clear that (i) primary enrollment has increased substantially over the past decade and (ii) there has been a convergence between the project provinces and the nation.

57. Given the available data, it is clear that there was a significant increase in enrollment compared with the national average and that a good part of this increase is likely due to the project with its focus on building and renovating classrooms in remote areas. The ADB was the only major development partner providing similar support. This support was largely carried out before the EDP2.

## **INCREASE QUALITY OF EDUCATION NATIONALLY**

58. There are different tools to measure the quality of education in Lao PDR. However, given the nascent nature of the assessment system, it can be difficult to construct a consistent series. The project supported ASLO for fifth grade in 2006 and 2009. Originally, the project planned to carry out a third-grade assessment as well; this was never brought to fruition. ASLO was carried out with a random sample of students. Later support, primarily from Australia, financed a third-grade ASLO in 2013. The two fifth-grade tests were timed rather close together (2006 and 2009) making it difficult to track meaningful changes in quality. While the government is preparing a new assessment for fifth grade, no data are currently available. The French government sponsored an assessment in 2012 that covered second and fourth grades. In addition, graduates of primary school are required to pass a final examination. It is “high-stake” as students do not receive a diploma without passing the examination.

### ***Outputs***

59. The project supported a number of activities that aimed to improve the quality of teaching and learning, both in the target provinces and at the national level. At the provincial level, the project supported a variety of training for teachers. In particular, the project supported training for 48 master teachers in multigrade teaching techniques. They, in turn, trained a total of 843 teachers in the target provinces in multigrade teaching. In remote areas, multigrade education is often an efficient modality. In 2010, the project stopped supporting this training because the FTI-EFA project (also implemented by the World Bank) took over this training activity.

60. At the national level, the project financed the preparation of new texts and learning materials. This was not designed to be a full-scale revision of the curriculum. The effort focused primarily on modernizing current texts and adding new material. It also aimed to provide higher quality and more durable textbooks and to distribute them to all students in the country.

### ***Intermediate Outcomes***

61. Table 3 shows the performance of students on the Lao Language and Mathematics assessment in fifth grade from the ASLO I (2006) and II (2009). The assessment identified six skill levels ranging from 1 to 6, indicating the level of competence that the student demonstrates with the subject.

**Table 3. ASLO Results, 2006 and 2009**

Skill Level	Lao Language (percentage)				Mathematics (percentage)			
	2006	2009	Difference	Functionality	2006	2009	Difference	Functionality
1	0.5	0.1	-0.4	Prefunctional	16.3	15.9	-0.4	Prefunctional
2	4.0	2.4	-2.6		49.1	56.9	7.8	
3	47.7	45.9	-2.2	Functional	19.7	17.4	-2.3	Functional
4	30.8	31.7	0.9		10.3	7.7	-2.6	
5	11.2	11.3	0.1	Independent	3.6	2.0	-1.8	
6	5.8	7.8	2.0		1.0	0.2	-0.8	Independent

Source: Lao PDR 2010.

Note: ASLO = Assessment of Student Learning Outcomes

62. Statistical analysis shows that the distribution of Lao language results was significantly different between 2006 and 2009. In particular, there was a general increase in the proportion of students that reached the functional and independent levels of functionality. The number of students classified as prefunctional dropped from 4.5 percent to 2.5 percent. These results indicate that quality is improving. The high number of students in functional and independent levels also suggests that the curriculum is largely appropriate for the grade level. Overall, it also appears that the Lao language assessment provides a realistic assessment (Lao PDR 2010).

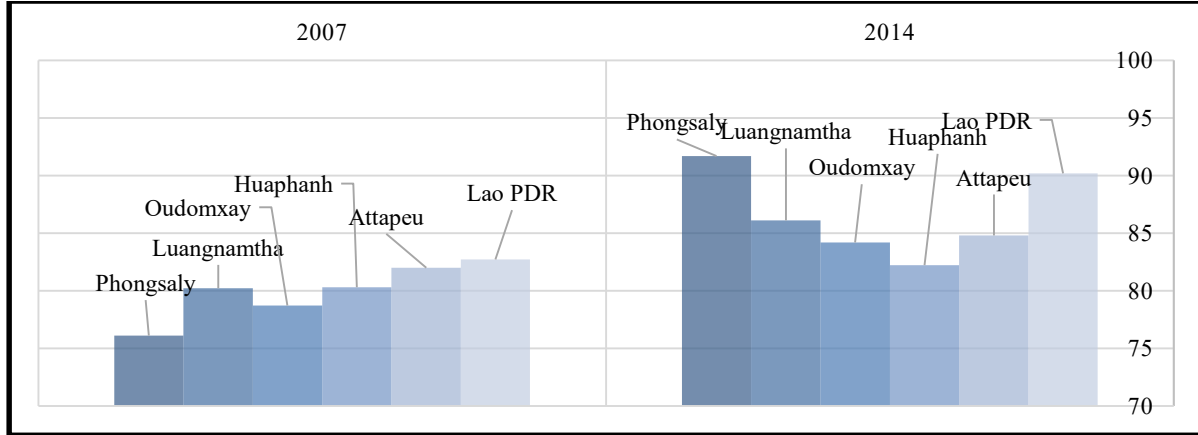
63. Likewise, statistical analysis shows that the distributions of mathematical ability are significantly different in the two assessments. In this case, virtually all of the change was an increase in the number of students in level 2. The results show a decline in the competence of fifth graders in mathematics. In particular, the number of students in the prefunctional level increased from 65.4 percent to 72.8 percent as other levels declined. The cause of this decline is not clear and may, in part, be driven by the increase in fifth grade enrollment. New students would tend to come from more disadvantaged schools. Based on the curriculum standards, it appears that the majority of fifth-grade students are performing at the third grade level in mathematics (Lao PDR 2010).

64. The French-supported assessment, PASEC, is not compatible with other data and thus cannot be used to develop a time series of quality. The assessment shows that in the second grade, 86 percent of students had more than basic knowledge of the Lao language. In the fourth grade, this declined to 75 percent of students. These results suggest that while many students are well prepared by the second grade, there is often a lack of follow-through in later grades. There is a similar but more striking result in mathematics. In the second grade, 94 percent of students have more than basic competence. By fourth grade, 59 percent reached this level, adjusted for the grade level. As above, these results suggest that learning is limited in the third and fourth grades and that nearly half of the students are not able to build on what they learned in second grade (PASEC 2014).

65. Students are required to take a final examination to graduate from primary school. District-level education authorities design and implement the test, based on national guidelines. The tests are not standardized and cannot be used to create a statistically accurate

time series of education quality. However, the trends may be useful to provide some inference. Figure 3 shows the results of final grade assessments in 2007 and 2014 for the project provinces and nationally.

**Figure 3. Percentage of Fifth-Grade Students Who Pass the Final Exam, 2007 and 2014**



Note: No data available for Sekong.

Source: Lao PDR Education Statistics.

66. The data show that the overall passage rate increased both nationally and in each project province. However, except in Phongsaly, the gap between the national passing rate and the provincial passing rate has increased. Given the nature of assessment, it is difficult to draw a strong conclusion from this data.

67. Overall, it appears that there were moderate increases in Lao language competency during part of the period from 2006 to 2009. However, it appears that the level of mathematics competence has decreased from a rather low baseline. While the project did provide some support to both teacher training and the development of curriculum, this support was minimal. It is possible that the project contributed to the improvements in the Lao language as a consequence of its training in multicultural education.

#### **INCREASE THE CAPACITY OF THE MINISTRY OF EDUCATION AND SPORTS**

68. The project supported activities that focused on improving the capacity of the education system, in particular, the Ministry of Education and Sports. These activities were dispersed throughout the project's components.

#### ***Community-Based Contracting***

69. The project introduced community-based contracting (CBC) as an alternative mechanism to construct small infrastructure in remote areas. Since it was a new process, there was a great need for capacity building in its procedures. At the provincial and district levels, this required training for both financial and administrative staff as well as for local engineering staff. Likewise, at the village level, the project supported capacity building to community members—primarily village officials and school directors. Despite these concerns, the CBC model was successful. Procurement and financial management were both consistently rated positively (moderately satisfactory or satisfactory) throughout the project.

Audits and supervision reports did not identify any serious concerns about the CBC. Infrastructure construction and disbursement were as expected.

70. The Ministry integrated CBC guidelines in other projects largely based on EDP2 and it is now well-incorporated in its administrative structure. Most subsequent projects use some form of CBC for investment in basic education and the government has adopted it as well. It is now the principal mechanism to construct primary schools as well as to perform maintenance.

### ***Student Assessments***

71. Student assessments are an important tool to provide feedback to parents, schools, education specialists, and policy makers. At the time the project was approved, Lao PDR had a limited student assessment system, largely consisting of high-stake examinations at the end of primary and secondary levels. Occasionally, there were sporadic regional and national assessments financed by development partners.

72. The project supported efforts to develop the assessment capacity at Ministry through its Research Institution for Education Sciences. In addition to technical capacity financed through the project, the World Bank's staff also provided support to the Institution. This technical support allowed the Ministry to carry out and disseminate national assessments in 2006 and 2009. While the Ministry did not implement the third-grade assessment, interviews suggested that the project's initial work on this assessment supported the later implementation at the third-grade level in 2014. The broad consensus is that the fifth-grade assessments are of good quality. While development partners have largely focused on the third-grade assessment, the government is using the fifth-grade assessment to provide a base for the ongoing regional Southeast Asia Primary Learning Metrics program. Without the project's support, it would have been more difficult to carry out subsequent assessments. The Institution continues to lead in ongoing student assessments.

### ***Strengthening Management Capacity***

73. The project supported activities that aimed to improve the Ministry's capacity. This involved both strengthening policy development and improving management capacity. The project supported the establishment of the Education and Sports Research Center to support the Ministry's policy decision making and to provide training at the national, provincial, and district levels. The project financed five staff members for training in education policy at the graduate level outside of the country. The project also supported financial management assessment for the education sector and development of a medium-term strategy to move toward utilizing country systems and sectorwide approach. According to interviews, the Ministry still uses many of the systems that the project supported, including in the areas of fund flows and financial management.

### ***Strengthening Management Information Systems***

74. The project provided significant support to strengthen the Ministry monitoring and evaluation capacity. Although the ICR does not report actual expenditures, the project allocated \$1 million (8 percent of the total amount) for monitoring and evaluation. The World Bank's additional financing (2009) provided more support to monitoring and evaluation, although there is not precise information on the amount. The project provided

support at the national, provincial, and district levels including consultants, computers, furniture, vehicles, and training. The project also targeted the archiving of information by establishing unified platforms. Most of the inputs and outputs were provided as expected, including training and equipment. However, there were some issues in implementing the geographic information system due to the relocation of some villages and the establishment of a new district.

75. The ICR and the final Aide Memoire report that the project "...designed a data management system for better data entry and analysis and broader use..." This claim is supported by the fact that "... [monitoring and evaluation] staff, especially at the provincial and district level, are well sought after by other sectors..." due to the high level of training. The education database has become more sophisticated, incorporating new indicators and more flexibility in the analysis. In 2011, UNICEF built a user-friendly platform (Lao Eduinfo, which is available at <http://www.devinform.org/laoinfo/libraries.aspx/Home.aspx>) using the database that project established; this platform was last updated in 2016. The Education and Sports Research Center also publishes an annual *Education Yearbook* and continues to provide training at the local level.

#### **EFFICACY: SUPPORT UNIVERSAL COMPLETION OF PRIMARY EDUCATION**

76. The objective aimed to support universal completion of primary education. While the project had national-level activities, the outcome here largely focuses on the project provinces. Increasing enrollment has two inputs: enrollment (how many students enter school) and retention (how many enrolled students stay in school). An increase of either of these with the other one stable will increase the likelihood of achieving this goal.

77. Table 4. shows the primary completion rates in 2007 and 2016 in the project provinces and Lao PDR as a whole. All of the provinces saw a large increase in the primary completion rate—22 percent in Sekong to 120 percent in Oudomxay—compared with the national increase of 37 percent. Except for Sekong, all of the provinces saw increases above the national average and most provinces have converged to the national average.

**Table 4. Primary Education Completion Rates in Project Provinces and Nationally, 2007 and 2016**

<b>Province</b>	<b>Primary Completion Rate, 2007</b>	<b>Primary Completion Rate, 2016</b>	<b>Percentage Gain</b>	<b>Gap (nation: province) 2007</b>	<b>Gap (nation: province) 2016</b>
Attapeu	36.7	74.3	102	-20.2	-3.6
Huaphanh	59.4	82.2	38	2.5	4.3
Luangnamtha	66.0	84.8	28	9.1	6.9
Oudomxay	33.7	74.2	120	-23.2	-3.7
Phongsaly	48.5	77.8	60	-8.4	-0.1
Sekong	48.2	58.7	22	-8.7	-19.2
Nationally	56.9	77.9	37	n.a.	n. a

*Source:* Lao PDR Education Statistics.

*Note:* n.a. = not applicable.

78. One of the major reasons that children drop out is the lack of nearby classrooms for older students. Traditionally incomplete schools were common in Lao PDR. The effect of incomplete schools is exasperated by Lao PDR's topography and low population density that prevent many primary students from traveling to complete primary schools; they simply live too far away. As previously shown, the project made an important contribution to completing schools, which has a positive impact on the completion rate.

79. School quality is another factor that might contribute to an increase in primary education completion. As school quality increases, parents may be more willing to keep children in school because they feel that they "are learning something." In a multicultural and multilingual country such as Lao PDR, parents may be especially sensitive because it may be common that ethnic minority students are not able to absorb the Lao-language curriculum. However, the PPAR shows that the quality of education has probably not changed substantially.

80. Overall, the efficacy of the project in contributing to the the achievement of the objective is rated **substantial**. This rating reflects an increase in both enrollment and completion at the primary level, which is a clear indication that the project provinces are moving toward universal primary education. The project made an important contribution to improving both net enrollment and the primary completion rate. The project's contribution was primarily due to its support for increasing coverage in poor and remote areas. Other investments, particularly in governance, are likely to have made a contribution to meeting the universal primary education goal.

## 5. Efficiency

81. The PPAR uses the underlying thinking in the cost-effectiveness approach to measure efficiency. The analysis asks if the resources spent to achieve the actual outcomes were reasonable given the given the project's context. The PPAR uses other forms of efficiency analysis to provide a complete picture.

82. The project's largest investment was the construction of schools in remote villages with serious deficits in infrastructure—poor-quality schools, incomplete schools, or even a lack of any school. Following the project's logic, this would lead to an increase in school enrollment and completion. Along with other investments, better infrastructure would also create a more conducive environment for learning and lead to better quality outcomes. It is difficult to compare costs in a rapidly changing economic environment. The past two decades have seen a rapid escalation in the cost of wood, which is a major input for both construction and furniture. Likewise, even in remote areas, the cost of labor has also increased substantially. However, improvement in road networks has lowered the local costs for many other construction materials.

83. The project used CBC as a tool both to enhance ownership and to lower the cost of construction. By all accounts, this model led to the schools costing substantially less than those financed by other development agencies. The cost of construction for EDP2 schools ranged from \$77 per square meter (2005) to \$144 per square meter (2013). This cost should be compared with the estimated (appraisal) cost of \$90 per square meter for the ADB's Basic



Education (Girls) Project (1999–2008). A later ADB project, the Second Education Quality Improvement Project, provided an estimate of \$115 per square meter for construction in 2009, compared with the actual EDP2 construction costs of \$86 per square meter in the same year. In all cases, the EDP2's construction costs were lower in comparable years, particularly considering that it was often carried out in more remote areas.

84. Both the ADB- and EDP2-constructed schools are classified as “semipermanent” construction. This is common in rural Lao PDR and represents a substantial upgrade from “temporary” construction. It also reflects that many rural communities change the location of their villages from time to time. In contrast, the World Bank’s Poverty Reduction Fund and the government of Japan both constructed “permanent” schools at an estimated cost of \$250 per square meter during the project’s first years of operation.

85. A direct cost comparison does not prove that one model provides better value for money than another. In addition to having a lower cost, CBC schools were located in places that were more remote than other schools financed by other development partners.

86. The quality audit expressed concern about the condition of the schools and their quality. However, most of these schools have operated 8–10 years without any major maintenance or renovation. The Australian government is in the process of renovating these schools, with a cost of about \$5,000 per school, which appears to be about 50 percent of the total value of the school. Even with this cost escalation, the cost of the schools was quite low considering their locations. Based on this, this PPAR argues that CBC was a cost-efficient solution to constructing schools in remote areas. Other alternatives, such as introducing school transportation, were not realistic given the condition of the roads and the small size of communities.

87. It is more difficult to evaluate the efficiency of the other elements of the project. The investment in data collection and education management information systems (described in greater detail below) was successful and established a system that is still in use after the project closed. However, it is difficult to compare with systems in other countries, because Lao PDR started from a very low base and has a small population. The cost of implementing the learning assessments seems to be in line with those of other countries.

88. From a financial management perspective, the project was quite efficient. During its implementation, the project maintained its original disbursement schedule both with the original financing and additional financing. The additional financing was exclusively used to increase outputs and not to address cost escalations. Likewise, there were no serious concerns raised about how the resources were being spent, including clean audit reports and no major corruption complaints.

89. The efficiency of the project is rated **High**.

## 6. Ratings

### Outcome

90. The project's relevance of objectives was high, representing the project's strong linkage with the government strategy on education as well as reflecting the important role that education plays in Lao PDR. The relevance of design is rated *substantial*, as the project contained the necessary outputs to achieve the objective and had a well thought-out theory of change. The project's efficacy is rated as *substantial* due to its contribution to improving both the enrollment and completion rates, which contributes to supporting the national goal of universal primary education. Finally, the project had a *high* level of efficiency as the newly introduced community-based contracting demonstrated lower costs for the construction and maintenance of schools.

91. Together, these lead to an overall outcome rating of **Satisfactory**.

### Risk to Development Outcome

92. The project's final objective is to support *the achievement of universal completion of primary education*. In focusing on this objective, the project's achievements are likely to be maintained over time. The project's team had an understanding of the priorities in the government's development and education strategies. These priorities remain relevant in current government strategies and are likely to remain so in the future.

93. The World Bank's support continues to build on the design and objectives of EDP2. The CBC model introduced in EDP2 has been applied nationally, both through the World Bank's follow-on project and Australia's current project, Basic Education Quality. Australia's project is in the process of renovating the schools that EDP2 schools financed, which is likely to extend the school's usable life by another 10–15 years.

94. The project's investment in the Education Management Information System (EMIS) remains important and relevant. The current EMIS directly builds upon EDP2's investment and many stakeholders, including the Ministry, development partners, and others currently use it. The government has shown a high degree of ownership of learning assessments and continues to support activities that were initially developed in the project. The project's learning assessment model (ASLO) has led directly to more recent assessment initiatives, including ASLO in 2014 and 2017, as well as the Ministry's work on regional assessments.

95. The risk to development outcome is rated **Low to Negligible**.

### World Bank Performance

#### QUALITY AT ENTRY

96. Overall, the World Bank carried out strong preparation work. There were good inputs on project design and alignment with the development priorities of the Ministry and the government. The World Bank took advantage of the project preparation grant funding to

carry out initial knowledge work and to support the initial capacity building to prepare for the project. The World Bank was able to take advantage of the long preparation period of at least three years. The World Bank team gave particular importance to promoting the use of learning assessments. Prior to approval, the World Bank carried out formal and informal discussions outlining the importance of learning assessments and explaining the different options available to the government.

97. Several issues delayed the project's approval. The World Bank initially proposed an ambitious Adaptable Program Loan. The discussion over the type of loan delayed the progress of project design until the government and the World Bank reached an agreement to move forward with a traditional investment loan. This decision reflected the belief that an Adaptable Program Loan was too difficult to implement given limited client capacity, knowledge base, and donor coordination.

98. Another aspect of project design that slowed project preparation was the World Bank's focus on the existing government policy of Lao as the official language of instruction. While focusing on minority languages can improve access and equity in education for members of minority language groups, the government has a long-held policy regarding Lao as the national language and indicated clearly that this policy is central to its concept of national unity. The National Education Law of 2000, which was passed during the project preparation phase, is explicit that Lao is the only language that can be used in school at all levels. This policy was supported by later implementing decrees (UNESCO 2012). A better understanding of this context would have avoided unnecessary debate during the project preparation stage and would have led to a more streamlined adoption of the various measures to accommodate minority language groups. The government and the World Bank eventually agreed on pilots to promote Lao as a second language.

99. *Quality at entry is rated satisfactory.* This reflects the World Bank's strong technical preparation.

#### QUALITY OF SUPERVISION

100. The World Bank provided high quality support to the project and was successful in its supervision of the investment. While the frequent turnover in task team leaders led to some challenges (particularly to development partners), almost all were based in the region. This allowed for closer and better familiarity from the World Bank during supervision. During part of the implementation period, the World Bank also had a senior technical specialist stationed in the country. The staff was engaged and hands-on. Interviews suggested that the World Bank's active support was particularly well-appreciated in the implementation of learning assessments and EMIS.

101. During the nine years that the project was active, there were 18 supervision missions. Internal supervision reports were well prepared and quite informative. Interviews suggest that the World Bank was quite responsive to implementation issues and worked closely with the Ministry to find solutions. Likewise, the World Bank and the Ministry moved quickly to process additional financing. Also, the World Bank remained attentive to safeguards issues through regular mission visits.

**102.** The World Bank team provided hands-on support to the Ministry’s Department of Finance to support financial management, accounting, and procurement manuals. Interviews show that there was an improvement in reporting during the implementation of the project and that many of the systems remain in place. The World Bank also provided substantial technical support for project administration. The Bank team worked directly with the Ministry to improve its data collection and analysis. Likewise, World Bank staff worked directly with the Ministry to promote assessment as a policy and to support development of the instruments. *The quality of World Bank supervision is rated satisfactory.*

103. These lead to an overall rating of World Bank performance of **Satisfactory**.

## **Borrower Performance**

### **GOVERNMENT PERFORMANCE**

104. The government, including the national government, local governments, and the Ministry of Education and Sports, were supportive of the project throughout the implementation. The project built on the previous project (EDP1), and the government showed interest in continuing many of the reforms. The goals of the project were also supported by the government’s development and education strategies.

105. The government was able to use a project preparation grant effectively and worked with the World Bank to design the project. Likewise, different branches of the government participated in launching the project. The national government remained engaged during implementation, providing necessary support and financing. The government used the project to develop its education policy, which was later incorporated into other projects. After the project closed, the government sustained a number of the project’s institutional reforms, including the education information system (EMIS), the learning assessment system (ASLO), and the community-based contracting.

106. Local governments played an important role in implementing the project, particularly in the project provinces. The education authorities in targeted provinces and districts were engaged with the project in supporting implementation, particularly providing technical support to schools in planning and supervising community-based contracting. Given Lao PDR’s decentralized education system, poor cooperation at the local level would have been a major bottleneck. *Government performance is rated satisfactory.*

### **IMPLEMENTING AGENCY PERFORMANCE**

107. The Education Sector Development Framework (ESDF) Coordination Unit implemented the project. The Unit was fully staffed during project implementation with technical and project specialists. Supervision reports and interviews indicated that the Unit was quite proactive and cooperative to solve problems, which included providing both technical and administrative solutions. It was also proactive in financial management, taking the lead in identifying a potential misuse of funds. The World Bank’s Integrity Unit indicated its satisfaction with the Unit’s actions. The World Bank also acknowledged that the Unit

consistently had well-organized procurement files, and post-procurement reviews indicated that the Unit consistently followed procurement guidelines.

**108.** The Research Institute for Education Science was central in the implementation of ASLO. The Institute was able to develop an assessment instrument and apply it twice. The Ministry created the Institute around the time the project became effective. The Institute was able to develop its capacity to a sufficient level to carry out two national assessments. The Institute decided not to apply the ASLO for the third grade due to concerns about its capacity to implement two assessments at the same time. In addition to local governments, the National University of Laos and several technical units within the Ministry also supported that project's implementation. Interviews suggested that this support was appropriate with outputs produced as expected. *Implementing agency performance is rated satisfactory.*

109. These lead to an overall borrower performance rating of **Satisfactory**.

## **Monitoring and Evaluation**

110. **Design.** In addition to the project's support for improving quality and expanding access, the project also provided support to strengthening the education information system (component 3.2) as well as developing a national assessment system (component 2.2). Originally, the results framework had 19 PDO-level indicators, which was more than was needed to monitor the project and was likely to undermine monitoring.

111. Several indicators were not directly related to the project. For example, the PDO indicator included the primary completion rate and the gender parity level at the national level. Given the project's strong focus on the poor districts, it is unlikely that it could have had a major impact on these indicators. The PPAR estimates that six indicators were at the national level; two of these indicators were dropped as part of the mid-term review. Six of the indicators did not have any baseline or clear target; these indicators were only relevant after the EMIS was fully developed. These also dropped in the mid-term review. At the same time, the results framework included some PDO indicators that would have been more appropriate at the outcome level, such as (i) the number of new and renovated classrooms and (ii) the number of teachers that received training.

112. The World Bank's previous project, EDP1, established a rudimentary data management system. The focus of EDP2 is on improving this system substantially and on permit data-driven decisions. Central to this effort was an initiative to give the Ministry a common platform to store and analyze data. The Ministry provided training in information management at all levels of the education system, ranging from schools to local governments to the Ministry. There was training on both the collection and use of education data. EDP2 also supported the creation of an assessment system in line with international standards.

113. **Implementation.** The monitoring and evaluation-related activities were carried out as planned, albeit with a delay at times. Specifically, the collection of education data was moved from the Department of Planning to a newly created Education Statistics and IT Center in 2006 to consolidate different monitoring and evaluation initiatives. The Ministry

also aligned its information system to the census, allowing easier mapping of population data with education data and facilitating the use of geographic information systems.

114. With support from the project, the Education Statistics and IT Center was able to upgrade its equipment and software. The project supported capacity building at all levels, including at the school level to help principals fill out data forms properly. Although the primary focus of the project was for primary schools in disadvantaged areas, the Center supported the collection and analysis of data throughout the country. In 2011, data collection was decentralized to the district level.

115. The project also supported the development of two education quality assessments (ASLO) for the fifth grade. The assessment was applied two times (2006 and 2009) and was statistically representative at the province level. There were some reports that the results may have been partially “contaminated” because it was not possible to administer the assessment on the same day. There were difficulties related to reaching some of the more remote schools and the limited availability of trained staff to cover a large country. The World Bank supervision missions updated the results framework as data became available.

116. **Utilization.** The project’s support for the strengthening monitoring and evaluation in the education system played a major role in increasing both the quality and usage of data throughout the education sector. The project’s support for EMIS has substantially improved the usage and availability of data. The project’s investment, software, and training still form the basis of EMIS today. UNICEF used the database to develop a user-friendly portal ([www.devinfo.org/laoeduinfo/](http://www.devinfo.org/laoeduinfo/)) that is used widely both domestically and by development partners. The database is also linked directly to the government’s statistical database and is the source of information that the government provides to international databases. The PPAR mission confirmed that data forms are filled out regularly at the local level. Likewise, the mission confirmed that local government officials were able to access the data and use it for planning purposes.

117. The assessment data also made an important contribution. Discussions with stakeholders show that the assessment results were widely disseminated and discussed upon release, particularly within the national government. To a limited extent, the results were used to update textbooks. After the project closed, the Ministry organized ASLO for the third grade in 2014. Currently, the government and development partners are planning another, updated version of ASLO for the third grade. These two assessments build upon the item that the bank developed under EDP2, although with modifications to correct issues with some of the original questions. Likewise, the Ministry is working with the regional organizations to develop an internationally comparable assessment for fifth grade based on ASLO. In other words, EDP2 support contributed to the nascent education assessment system.

118. The World Bank used data from the EMIS data and from administrative sources to update its results framework. According to supervision reports, the data showed that the project was progressing in the right direction. The strengthened monitoring and evaluation system contributed to Australia’s decision to provide financing for additional schools.

119. Overall, project monitoring and evaluation is rated **Satisfactory**.

## 7. Lessons

120. **There are cost-efficient solutions to reach remote students in low-income countries.** At the time that the project was approved, Lao PDR did not have universal primary education. Some children never enrolled at the primary levels, while others started school but dropped out due to the remote conditions. Faced with the challenge of the “last mile” in universal coverage, the project showed that it was possible to reach out-of-school children at a relatively low cost, using CBC. Giving communities resources to build the school gave them a sense of ownership. It was also faster than relying on professional contractors, which would have been quite expensive in remote areas. The subsequent support from Australia also demonstrated that CBC also can work for maintenance, with the potential to extend the usable life of the schools.

121. **Direct technical support from World Bank staff can make an important contribution to implementation and outcomes.** Virtually all of the project’s planned activities were carried out in a timely and efficient manner; likewise, it appears that almost all of the investments are being sustained. While the project provided technical assistance through its resources, there was broad consensus that the role of World Bank staff was key in the project’s success. World Bank staff provided substantial direct technical assistance, including in the areas of assessments and the development of information systems. While staff turnover was relatively high, the World Bank ensured that almost all key staff were based in the region and frequently travelled to Lao PDR. Implicitly, the World Bank focused on the quality of its engagement with staff members, spending time with the implementing agency as opposed to dedicating large technical missions that “parachuted” into the project.

122. **Sustainable student assessment systems take time to develop and to contribute to the education system.** The project was successful in establishing a sustained assessment system that continued after the project closed and remains an important unit in MOES. However, much of the benefits of assessment are now being realized, more than a decade after the project was approved. In particular, other partners are using a single assessment system instead of ad hoc assessments that were common before the project. More importantly, the results of the assessments are starting to be incorporated in the development of new curriculum and learning material. This shows the importance of setting clear goals for what can be carried out during the project implementation period and what the longer-term results are likely to be. The project showed that focusing on setting up an assessment that functioned well was a realistic goal and would likely lead to future use at the policy level.

123. The ownership of learning assessments is a complicated process. As universal primary education becomes a reality in many countries, there is increasing focus on education quality. However, in many countries, the establishment of learning assessments appears to be led by the development partners. The project showed that direct and continuous engagement with policy makers, early in the process, can build interest in and ownership of learning assessments. This engagement started during the long project identification phase; by the time of approval, national policy makers in MOES and in the wider government supported learning assessments and provided substantial support. However, this ownership did not appear to extend beyond the national level. Local policy makers broadly understood

the results, but they generally did not see how they were relevant. This suggests that there should also have been a higher level of engagement at the local level to promote the same ownership and to encourage thinking about how the results could be used.

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<sup>1</sup> The Basic Education (Girls) Project, from 1998 to 2008 for \$20 million and \$4.3 million from the government of Australia. The project was extended by two years due to initial delays and received a “successful” evaluation rating.

<sup>2</sup> The firm that prepared the review also supported the construction of primary schools in the Asian Development Bank's Basic Education (Girls) Project, using a different procurement methodology. Thus the review should not be seen as independent.



## Appendix A. Basic Data Sheet

### SECOND EDUCATION DEVELOPMENT (LOAN 3886-LA; GRANT H0840-LA AND GRANT H541-LA)

**Table A.1. Key Project Data (US\$, millions)**

	Appraisal Estimate	Actual or Current Estimate	Actual as % of Appraisal Estimate
Total project costs	13.50	29.87	221
Loan amount	13.00	27.39	211
Cofinancing	0.00	2.52	0

*Source:* Implementation Completion and Results Report Review.

**Table A.2. Cumulative Disbursements Estimated and Actual, FY05–14**

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Appraisal estimate (US\$, millions)	0.90	3.60	7.00	9.90	11.90	13.00	13.00	13.00	13.00	13.00
Actual (US\$, millions)	0.46	1.36	4.48	8.71	12.02	13.15	14.33	20.44	24.28	27.39
Actual as percent of appraisal	51	38	64	88	101	101	110	157	187	211

**Date of final disbursement: December 31, 2013**

*Source:* Project Appraisal Document and SAP Project supervision disbursement data.

**Table A.3. Key Project Dates**

Project Stage	Original Date	Actual Date
Concept review	05/23/2002	05/23/2002
Negotiations	12/17/2003	12/17/2003
Board approval	04/29/2004	04/29/2004
Signing	07/08/2004	07/08/2004
Effectiveness	01/24/2005	01/24/2005
Closing date	02/28/2010	08/31/2013

**Table A.4. Task Team Members**

<b>Name</b>	<b>Title</b>	<b>Unit</b>
Rosemary Bellew	Lead Education Specialist	EASHD
Rasario Aristorenas	Program Assistant	EASHD
Kannathee Danaisawat	Financial Management Specialist	EAPFM
Luis Benveniste	Education Specialist	EASHD
Alfonso de Guzman	Senior Education Specialist	EASHD
Peter Moock	Lead HD Economist	EASHD
Nina Eejima	Counsel	LEGES
Eliezer Orbach	Consultant	EASHD
David Week	Consultant	EASHD
Danile Schwitter	Consultant	EASHD
Svend Jensby	Consultant	EASHD
Robert Krech	Consultant	SECPO
Mourad Ezzine	Peer Reviewer	AFTHD
Robert Prouty	QER Panel	AFTHD
Boun Oum Inthaxoum	Operations Officer	EASHE
Jeffrey Waite	Lead Education Specialist	MNSHE
Margaret M. Clarke	Senior Education Specialist	HDNED
Rie Kijima	Consultant	EASHD
Jennica Larrison	Consultant	EASHD
William Anthony Lorie	Senior Education Specialist	HDNED
Oithip Mongkolsawat	Senior Procurement Specialist	EAPPR
Donald H. Mphande	Senior Financial Management Specialist	AFTFM
Emiko Naka	Consultant	AFTAR
Hoi-Chan Nguyen	Consultant	LEGEM
Suhas D. Parandekar	Senior Education Economist	EASHE
Sybounheung Phandanouvong	Social Development Specialist	EASTS
Viengkeo Phetnavongxay	Environmental Specialist	EASTS
Somphone Simmalavong	ET Consultant	EAPCO
Nipa Siribuddhamas	Financial Management Specialist	EAPFM
Sirirat Sirijaratwong	Procurement Analyst	EAPPR
Souphanthachak Sisaleumsak	Procurement Analyst	EAPPR
Malarak Souksavat	Resource Management Assistant	EACLF
Binh Thanh Vu	Senior Education Specialist	EASHE
Sandra Beemer	Consultant	EASHE
Franco Russo	Operations Officer	EASHE
Pedro Cerdan-Infantes	Education Economist	EASHE

**Table A.5. Staff Time Budget and Cost for World Bank**

<b>Stage or year of project cycle</b>	<b>Staff weeks (number)</b>	<b>Finance (including travel and consultant costs) (US\$, thousands)</b>
<b>LENDING</b>		
FY02	7.29	37.98
FY03	42.30	367.60
FY04	42.16	122.31
<b>Total</b>	<b>91.75</b>	<b>527.89</b>
<b>SUPERVISION AND IMPLEMENTATION COMPLETION AND RESULTS REPORT</b>		
FY05	57.47	115.23
FY06	0.00	0.00
FY07	34.47	72.21
FY08	37.14	80.92
FY09	49.45	87.16
FY10	36.90	26.48
FY11	45.11	96.60
FY12	37.95	31.22
FY13	60.63	153.10
FY14	30.80	74.73
<b>Total</b>	<b>421.08</b>	<b>806.00</b>

Note: FY = fiscal year.

## Appendix B. Cost of Construction, Primary Schools

		<b>Starting Date</b>	<b>Rate per Square Meter</b>	<b>Notes</b>
EDP2	Baseline estimate	2004	54	Community-based contracting. Generally located in remote and semiremote areas. Semipermanent structures.
	IDA	2005	77	
	Australia grant	2009	86	
EDP2 additional financing	Baseline estimate	2009	94	
	Round 1	2010	110	
	Round 2	2013	144	
EQUIP 2 (ADB)		2009	115	Traditional contracting. Semipermanent structures. In accessible and semiremote areas.
Poverty Reduction Fund (World Bank)		2009	100	Traditional contracting.
		2011	250	Traditional contracting. Semipermanent structures. In accessible and semiremote areas.
Basic Education (Girls) Project (ADB)		2005	90	Traditional contracting. Semi permanent structures. In accessible and semiremote areas.
Japan		2009	250	Traditional contracting. Permanent structures. In accessible areas.

*Note:* ADB = Asian Development Bank; EDP2 = Second Education Development Project; EQUIP 2 = Second Education Quality Improvement Project; IDA = International Development Association.

## Appendix C. Difference between PPAR Ratings and ICR Ratings

	ICR Rating	PPAR Rating	Comments on Differences
Project outcome	Moderately satisfactory	Satisfactory	<ul style="list-style-type: none"> <li>The ICR and the PPAR used different methodologies to measure to project outcome. The ICR used a six-level rating (from highly unsatisfactory to highly satisfactory) for each element. The ICR gave a rating of <b>moderately satisfactory</b> to the efficacy; using IEG methodology and the ICR's analysis, efficacy would have been rated <b>substantial</b>. Likewise, using the ICR's analysis, both relevance ratings and the efficiency rating would have been <b>substantial</b> or better. Using a four-point scale, the ICR would have rated the project <b>satisfactory</b>.</li> <li>The PPAR rated efficiency as <b>high</b>. This was based on the entire project's value-for-money, implicitly based on a cost-effectiveness model. The ICR used a cost benefit analysis, focusing on potential individual returns to education.</li> </ul>
Risk to development outcomes	Moderate	Low to negligible	<ul style="list-style-type: none"> <li>The PPAR was carried out four years after the project closed and the both the investments and the underlying institutions continue to function. While financial management issues continue, there has been a clear increase of capacity.</li> </ul>
World Bank performance	Satisfactory	Satisfactory	
Borrower performance	Satisfactory	Satisfactory	

	ICR Review Rating	PPAR Rating	Comments on Differences
Project Outcome	Moderately satisfactory	Satisfactory	<ul style="list-style-type: none"> <li>The ICR Review divided the objective into three sub-objectives, with two rated as <b>substantial</b> and one rated as <b>modest</b>. The ICR review rated both elements of relevance as <b>high</b> and rated efficiency as <b>substantial</b>. This should have led to a rating of <b>satisfactory</b>.</li> <li>Follow IEG's methodology, the PPAR did not divide the objective with sub-objectives and assessed the project's efficacy as <b>substantial</b>. The PPAR rated the relevance of objective as <b>high</b>, the relevance of design as <b>substantial</b>, and efficiency as <b>high</b>. This leads to a rating of <b>satisfactory</b>.</li> </ul>
Risk to Development Outcomes	Moderate	Low to negligible	<ul style="list-style-type: none"> <li>The PPAR was carried out four years after the project closed and the both the investments and the underlying institutions continue to function. While financial management issues continue, there has been a clear increase of capacity.</li> </ul>
World Bank Performance	Satisfactory	Satisfactory	
Borrower Performance	Moderately satisfactory	Satisfactory	<ul style="list-style-type: none"> <li>The ICR Review rated borrower performance as <b>moderately satisfactory</b> based on shortcomings with the activities focused on education quality. This is a relatively minor shortcoming that is not central to project's objective.</li> </ul>

## Appendix D. List of Persons Met

<b>Name</b>	<b>Title</b>	<b>Organization</b>
Ms. Clemency Oliphant	First Secretary	Australia DFAT
Mr. Peter Deacon	Team Leader	BEQUAL Project
Mr. Mike Lally	Education Specialist	BEQUAL Project
Mr. Andrew Whillas	Construction Specialist	BEQUAL Project
Mr. Davone Siheuangxay	Local Specialist	BEQUAL Project
Mr. Lytou Bouapao	Deputy Minister	MOES
Mr. Thiphamon Chanthalangsy	Head, Division of Construction and Renovation	MOES
Ms. Khampaseuth Kitignavong	Project Director,	MOES
Mr. Onekeo	Director, RIES	MOES
Ms. Phouangkham Somsanith	Former Director, RIES	Retired (MOES),
Mr. Somsanit Southiving	Deputy Head	Oudomxay Province Education and Sports Service
Mr. Bounpheng Lengsouthiphong,	Civil Engineer	Oudomxay Province Education and Sports Service
Mr. Somkhan Didaravong	Former Director, EMIS	Retired (MOES)
Mr. Luis Benveniste	Practice Director	World Bank
Mr. Plamen Nikolov Danchev	Senior Education Specialist	World Bank
Mr. Suhas D. Parandekar	Senior Economist	World Bank
Mr. Harry Patrinos	Practice Manager	World Bank
Mr. Jeffery Waite	Adviser	World Bank
Mr. Liphone Chanthaked	Deputy Head	Beng District Education and Sports Bureau
Mr. Hongthong Phalixay	Head	Houn District Education and Sports Bureau
Village Education Development Committees		Kam Village Kanvang Village Nam Ying Village Kui Yab Village