



## 1. Project Data

<b>Project ID</b> P149130	<b>Project Name</b> SECOND GLOBAL PARTNERSHIP FOR EDUCATION		
<b>Country</b> Lao People's Democratic Republic	<b>Practice Area(Lead)</b> Education		
<b>L/C/TF Number(s)</b> TF-18969	<b>Closing Date (Original)</b> 15-Jul-2019	<b>Total Project Cost (USD)</b> 16,574,227.92	
<b>Bank Approval Date</b> 14-Apr-2015	<b>Closing Date (Actual)</b> 31-Dec-2021		
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>	
Original Commitment	16,800,000.00	16,800,000.00	
Revised Commitment	16,574,227.92	16,574,227.92	
Actual	16,574,227.92	16,574,227.92	
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## 2. Project Objectives and Components

### a. Objectives

As stated in Schedule 1 (p. 4) of the June 4, 2015 Global Partnership for Education (GPE) Grant Agreement between Lao People's Democratic Republic (Lao PDR) and the International Bank for Reconstruction and Development/International Development Association (IDA), acting as Supervising Entity of the GPE Fund, "The objective of the Project is to assist the Recipient in improving pre-primary and primary education quality." The design document presents the same statement (Project Appraisal Document, PAD, pp. vi, 10, and 25).



The PDO did not change throughout the project's life. However, PDO-level indicators and targets were revised as a part of the project's three restructurings, approved, respectively in June 2018, November 2020, and June 2021.

**b. Were the project objectives/key associated outcome targets revised during implementation?**

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

Yes

**Date of Board Approval**

26-Jun-2018

**c. Will a split evaluation be undertaken?**

Yes

**d. Components**

***Original Components:***

**Component 1: Strengthening School-Based Management (SBM) (original estimate: \$12.7 million; actual cost: \$14.01 million)** was to support the development of a SBM framework and the strengthening of SBM nationwide, based on a capacity development strategy that encourages improved quality, monitoring and evaluation (M&E), reporting, and accountability. To this end, this component was to finance:

- i. technical assistance for the development of the SBM framework, harmonization of SBM materials, training of the national SBM team (to be coordinated by the Department of Pre-Primary and Primary Education/DPPE, and including a cross-departmental team from the Ministry of Education and Sports (MoES) and provincial focal points), monitoring quality of training of SBM teams at the district level, improvements in the existing financial monitoring and reporting system at the school level, and support for the Inclusive Education Center (IEC, addressing gender, in complement to disability and inclusion issues);
- ii. a system of monitoring and quality control of capacity development efforts;
- iii. financing of travel and subsistence costs incurred by the District Education and Sports Bureau (DESB) and Provincial Education and Sports Service (PESS) to carry out coaching, mentoring, and monitoring of schools; and
- iv. three annual payments of complementary school-based Grants (SBGs) in phase 1 (targeted to 80 public primary schools in the most disadvantaged districts) and one annual payment for schools in phase 2 (targeted to disadvantaged districts under phase 1, and adding the remaining school districts in Lao PDR) to be used in line with the SBG manual. These payments were designed to complement government of Laos (GoL's) contributions on a matching basis. At design, GoL committed to providing annual SBG grants amounting to at least LAK 20,000 (approximately \$2.50) per primary student and LAK 15,000 (approximately \$1.88) per pre-primary student. The project SBGs were to be disbursed after GoL SBGs would be disbursed. In light of GoL's ambitious goal of providing LAK 100,000 per student per year (as expressed in its Education Sector Development



Plan), the project left room for adjusting its SBG contribution in the event GoL would increase its SBG amounts, with Bank agreement.

**Component 2: Improving Reading Outcomes and Assessment Capacity (original estimate: \$2.5 million; actual cost: \$0.84 million)** was to promote evidence-based approaches to the teaching and learning of early grade reading in Lao language in primary schools, focused on Grades 1 and 2. This was to be undertaken through two subcomponents.

***Subcomponent 2.1: Reading Development Intervention for Grades 1 and 2 in Lao language*** aimed to support Research Institute for Educational Science (RIES) and MoES to develop, pilot, and evaluate a new pedagogical approach for teaching and learning of reading in Grades 1 and 2. The interventions included: (i) the development of the pedagogical approach and instructional materials for teachers and students and simple classroom-based assessments; (ii) teacher training on pedagogical approach and monitoring strategies to track changes in teaching practice; (iii) capacity building of school principals and pedagogical advisers to promote and sustain strategies for better teaching and learning environments in primary schools; (iv) mixed-method evaluation of this pilot (see Section 9 on M&E); and (v) RIES capacity building in survey design, data analysis, student assessment, and the design of evidence-based instructional and curriculum materials.

***Subcomponent 2.2: Studies to support instructional approaches to ethnic students*** aimed to strengthen evidence on effective approaches to reading development in the context of ethno-linguistic diversity to inform MoES of policy options and decisions to address learning gaps and possibly to inform a program for slow readers. Analytical products to be supported were: (i) a review of country experiences with significant ethno-linguistic diversity in advancing effective approaches; (ii) a study on the orthographic and linguistic features of the main ethnic languages in Lao PDR; (iii) an analysis of policy options and costs to address reading deficits among non-proficient Lao speakers; and (iv) an evaluation framework of programs for instruction in Lao languages.

**Component 3: Project Management and Monitoring and Evaluation (M&E) (original estimate: \$1.6 million; actual cost: \$1.58 million)** was to support project planning and execution, financial management, procurement, internal audit, safeguards management, and M&E. Support was to include the development of government-wide systems for financial management, including the use of school bank accounts for managing all funds from GoL and the GPE. Project financing was to cover logistics and operational costs of the MoES Education Coordination Unit (ECU), responsible for project coordination. Financing was also to cover launch and annual review workshops and required financial audits. M&E of project activities and sector wide indicators were also a focus of technical and financial support.

### ***Revisions to Components***

#### ***Under the June 2018 restructuring:***

**Component 1 (Strengthening SBM) underwent three changes.** *First*, a new, more reliable set of eight indicators was used to identify the most disadvantaged districts (targeted under phase 1), replacing the original indicator, which produced more volatile, less consistent results. This resulted in an increase in the number of priority districts from 80 to 88, adding 418 primary schools, 163 kindergartens, and 39,500 children and students supported under phase 1. *Second*, in response to GoL's increased annual spending on SBGs, from LAK 20,000 (\$2.5) to LAK 70,000 (\$8.85) per primary student, and from LAK 15,000 (US\$1.9) to LAK 50,000 (\$6.25) per pre-primary student, the GPE funding was increased from LAK 20,000



(\$2.5) to LAK 30,000 (\$3.75) per primary student, and from LAK 15,000 (\$1.9) to LAK 50,000 (\$6.25) per pre-primary student. This increase, combined with the coverage of eight additional disadvantaged districts, increased the GPE's initial investment in SBGs by a net amount of \$3.91 million, for a revised total of \$8.95 million. **Third**, significant efficiency gains in SBG training due to GoL's decision to consolidate the length and nature of training allowed for the reallocation of \$4.9 million in achieved savings: \$3.91 million to cover above-cited increments in SBGs, and \$1 million to support implementation of a new reading readiness program under Component 2.

**Component 2 (Improving Learning Outcomes and Assessment Capacity)** was changed for two reasons. In its March 2, 2023 email to IEG, the task team explained that there was a lack of consensus, among partners, around the reading development program. In addition, the Australian Department of Foreign Affairs and Trade (DFAT) decided to fund Grades 1 and 2 curriculum after the development partners had agreed that the GPE II would finance it (DP consensus, being necessary for a GPE-funded project). In the end, to avoid duplication of efforts with the national primary education curriculum activities in DFAT's *Best Education Quality and Access in Lao PDR (BEQUAL)* program, the following changes were made, with the consensus of development partners:

- a refocus of the reading development intervention, initially targeted to Grades 1 and 2, to the final year of pre-primary preparation of five-year-olds, through the design and implementation of a reading readiness program;
- an increase in the target communities from 80 to 127 to implement to include the Bank's early childhood education (ECE) project convergence districts. The 127 remote, mountainous, mostly ethnic communities are located in the project's priority districts.
- an increase in the funding for Component 2 from \$2.5 million to \$4.0 million using savings from Component 1 (\$1 million) and 3 (\$0.5 million) to support the increase in program beneficiaries and to cover technical assistance; and
- improved arrangements to recruit reading readiness technical advisors and a literacy program supervisor for capacity building, supervision, coordination, and quality assurance.

**Component 3 (Project Management and M&E)** activities were mostly unchanged. Because of implementation delays, however, the number and scope of workshops were reduced, and a savings of \$0.5 million was reallocated to Component 2. Additionally the project, at the recommendation of the Laos Education Sector Working Group (ESWG), initiated the selection of a project coordinator.

#### ***Under the November 2020 restructuring:***

**Component 1** received an increment of \$1.32 million (reallocated from Component 2) for SBGs, which were urgently needed by schools to keep them safe and hygienic, following COVID-19.

**Component 2's** original plans for an Early Grade Reading Assessment (EGRA) were assessed by MoES to be premature, given delays in rolling out the new curriculum for Grades 1 and 2. Delays were not foreseen during the 2018 restructuring and were exacerbated by the March-June 2020 school closures due to COVID-19.

**Component 3** received an increment of \$0.5 million, reallocated from Component 2, for the purchase of information and communications technology (ICT) equipment for provincial and district education offices to



complement face-to-face meetings, workshops, and trainings in the event of unforeseen circumstances such as COVID-19 restrictions.

***Under the June 2021 restructuring:***

**Component 1** received an increment of \$95,820 for additional SBGs.

**Component 2** was unable to conduct monitoring visits and lessons learned workshops between April and June 2022, and so these were reprogrammed for a follow-on (GPE III) project. As a result, \$0.2 million was reallocated to Components 1 and 3.

**Component 3** received an increment of \$104,000 to be used towards ICT and furniture upgrades for MoES.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Cost.** The total actual cost of the project at closing is reported at \$16.43 million (ICR p. 47), or 98 percent of the original estimate of \$16.80 million. Because of component revisions and shifts in allocations introduced during restructurings (see Section 2d above), the actual cost of Component 1 (\$14.01 million) was 110 percent of the original estimate (\$12.7 million), while the actual cost of Component 2 (\$0.84 million) was only one third of the original estimate (\$2.5 million). The cost of Component 3 (\$1.58 million) was very close to its original estimate of \$1.6 million.

**Financing.** The project was fully financed by a \$16.8 million GPE Grant, which was 98 percent disbursed.

**Borrower Contribution:** While not factored into the project cost, the GoL financed annual SBGs during the project life at a rate of LAK 70,000 (\$8.85) per primary school student, and LAK 50,000 (\$6.25) per pre-primary student, with the first several years focused on 88 disadvantaged districts, and the remaining years extended to all 148 school districts in Lao PDR. According to supplemental data provided by the task team to IEG in an email dated March 2, 2023, for the six school years overlapping with the project (2015/16 through 2020/21), the government disbursed SBGs to the pre-primary and primary levels for a total of LAK 438,397 million (\$54.8 million equivalent, using the ICR exchange rate of LAK 8000 = \$1). Of this amount: LAK 43,964 million was for 745,548 kindergarten students; LAK 21,075 million was for 272,745 pre-primary classroom students; and LAK 373,358 million was for 4,507,303 primary students.

**Key Dates.** The project was approved on April 14, 2015 and became effective on June 4, 2015, and its mid-term review took place in May 2018. The project was restructured three times in June 2018, November 2020, and June 2021. Prompted by delays in Component 2 implementation and school closings due to COVID, progressive restructurings involved scaling back of activities under Component 2, reallocation of funds for additional SDGs under Component 1, and three extensions of the closing date by a total of 2.5 years (from July 15, 2019 to December 31, 2021).

### 3. Relevance of Objectives

#### Rationale



**The PDO is highly relevant to current country conditions.** As stated in Lao PDR's Education and Sports Sector Development Plan (ESSDP) 2021-25 (October 2020), the quality of early childhood/pre-primary education is insufficient. There is a need to develop teaching standards and fundamental quality standards for ECE and to have a specialist ECE Pedagogical Advisor at each DESB. At the primary education level, the curriculum in early grades is too crowded and there is no extra support for students with diverse learning needs. There is limited focus on the knowledge and tracking of students' levels of understanding of the curriculum and on the tailoring of teaching to address gaps in understanding. Multi-grade teachers lack adequate support and training, and textbook and other learning material needs are not being met. All of this culminates in inadequate learning outcomes at the primary level. While significant progress was made in SBGs provision and in strengthening SBM, important shortcomings in financing and capacity remain, with disparities across schools and districts. The 2017 Systematic Country Diagnostic corroborates these issues several years prior to the ESSDP. The low quality of basic education and the very low access to ECE, especially among ethnic groups and disadvantaged communities, are key constraints to learning in Lao PDR. Very low literacy among primary students leads to high dropout rates, particularly among adolescent girls.

**The PDO is also highly relevant to the current development priorities of the country.** Laos PDR's ESSDP 2021-25 articulates a number of policy objectives supportive of continued efforts to increase the quality of pre-primary and primary education, including a renewed focus on primary education as a priority, especially to improve content knowledge and pedagogical skills of primary teachers. This will require: a significant budget; the expansion of access to ECE to improve the quality of primary school graduates; a realignment of the skills and competencies of MoES staff in order to meet the current and foreseen needs of the system (doing more with the same through improved human resource systems); institutional strengthening of provincial and district education offices and schools to enhance their efficiency, effectiveness, and accountability; improved allocation and management of financial and human resources; and continued focus on the most disadvantaged districts.

**Moreover, the PDO is relevant to the Bank's Country Partnership Framework (CPF, 2017-2021),** whose timeframe, as confirmed by the task team in its March 2, 2023 email to IEG, had been extended through early 2023. (The ICR based its analysis of relevance on the 2017-2023 CPF, given that the new 2023-2026 CPF was approved by the Board on January 24, 2023, four months after the publication of the ICR.) The 2017-2023 CPF supported three focus areas: (1) supporting inclusive growth; (2) investing in people; and (3) protecting the environment, essentially supporting the three outcomes articulated in Lao PDR's Development Program and Medium-Term Strategy: (1) continued, firm, and inclusive growth; (2) human resources development; and (3) protection of natural resources and the environment. In support of the human resources development outcome, the CPF Objective 2.2 aimed to improve the quality of primary and pre-primary education, keep girls in school, and address deficiencies in equitable access to ECE.

**The Bank's previous experience in supporting Laos PDR's education sector rendered it well equipped to undertake the project.** As noted in the CPF, at the project's outset, the Bank was already supporting pre-primary and primary schooling through the ongoing Second Global Partnership for Education Project (P149130) and the IDA-funded Early Childhood Education Project (P145544). The CPF envisioned follow-up to this support, with continued focus on investing in early years. The Bank was also supporting at the time of preparation the National School Feeding program with the World Food Program to supplement children's nutrition intake and keep them in school. The Bank's education sector support complemented education activities of several development partners, including the European Union (primary





education support); Australia/Department of Foreign Affairs and Trade (primary education support); and German GIZ and Asian Development Bank (vocational training).

It is not clear why the PDO did not include the objective of improving pre-primary and primary equity, in addition to quality improvements, given that the project, along with the GoL and the Bank's development priorities for Lao PDR, highlighted and sought to address issues of inequities in the education sector.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

Support the Government of Lao PDR in improving pre-primary education quality

#### Rationale

As laid out in the PAD (Sections II and III) and the June 2018 restructuring paper, and reflected in the ICR (p. 8), the project sought to improve pre-primary education quality through the achievement of two intermediate outcomes.

**The first intermediate outcome** (strengthened school-based management through increased financing for pre-primary classrooms and kindergartens) was expected to contribute to the achievement of minimum education quality standards in those classrooms and kindergartens, especially those located in disadvantaged districts, which received extra support under the project. Key outputs supporting this intermediate outcome included: annual SBGs received (government-financed and matching grants from the project), and public disclosure of budget information to communities. The PAD specifies beneficiaries under Component 1 as encompassing both pre-primary and primary students; the PDO aimed to improve pre-primary as well as primary education quality; and the theory of change (ICR p. 8) also specifies the aim to improve quality at both pre-primary and primary levels. Given that SBGs and capacity building support are targeted to public primary schools (as clarified in the June 2018 restructuring), it is assumed that (some of) these schools include pre-primary teachers, classrooms, and students. But there is no itemization (or mention) of the breakdown of actual support between pre-primary and primary levels, and there are no output, intermediate outcome, or outcome indicators specified for the pre-primary level. At design, GoL committed to providing annual SBG grants for pre-primary education amounting to at least LAK 15,000 (approximately \$1.88 per pre-primary student). Under the June 2018 restructuring this amount was increased to LAK 50,000 (\$6.25 per pre-primary student). The GPE funding for the pre-primary level was also increased under the June 2018 restructuring to match GoL's funding, from LAK 15,000 (\$1.88) to LAK 50,000 (\$6.25) per pre-primary student.

**The second intermediate outcome** (enhanced teaching and learning environment to support reading readiness among five-year-olds enrolled in pre-primary programs), added during the June 2018 restructuring,



was expected to contribute to improved education quality at the pre-primary level through the establishment and support of a new reading readiness program. Key outputs supporting this intermediate outcome included: the training of master coaches and teacher training college faculty to train and coach pre-primary teachers in applying this new reading readiness program, the provision of instructional materials to pre-primary classrooms, and the production of an evaluation framework for reading instruction in Lao language of non-Lao Tai speakers. The proper application of these outputs was expected to enhance teachers' capacities and culminate in improved reading readiness of pre-primary students, as measured by enhanced awareness of print material and improved scores in a letter-sounding task in the Lao alphabet.

***Outputs and intermediate outcomes supporting strengthened financing and management of pre-primary level:***

While Component 1 indicates that annual grant amounts – and capacity building to support the management of these funds – would be provided to pre-primary schools and kindergartens on a per capita (pre-primary student) basis, along with capacity building to support the management of these funds, there are no project indicators to track outputs or outcomes for these investments. The ICR provided no information on the delivery of grants and capacity building to the pre-primary level, or on the use of these funds with strengthened capacity, and whether they contributed to improvements in pre-primary education quality, as originally envisaged under Component 1.

The design and intent of the SBG/SBM component (Component 1) did not change at the 2018 restructuring, except to increase the number of disadvantaged districts covered from 80 to 88 and to increase the annual per capita levels of both GoL-financed and project-financed SBGs, over initially committed levels. The increased commitments, as presented in the June 2018 restructuring, were expressed in terms of different per capita amounts for pre-primary and primary students, an indication that this support was indeed still channeled to both levels of education. However, as under the initial design, there were no pre-primary-specific output or outcome indicators. The only mention of SBG support to the pre-primary level in the ICR is in Annex 7 (p. 57), which notes that two tranches of SBGs were provided to all schools (11,493 kindergarten schools, 2,923 pre-primary classrooms, and 8,570 primary schools) under the second (October 2020) and third (June 2021) restructurings to support the purchase of sanitation toolkits, including soaps, alcohol gels, and masks during the first and second waves of COVID. In an email of March 2, 2023 addressed to IEG, the task team provided additional information on SBG and SBM support to the pre-primary level as follows:

- Based on the aide memoire and documented record, the first tranche (88 districts) of SBG for the pre-primary level was sent to 1,552 kindergartens. This represents 21 percent of the SBG amounts disbursed that year, the remaining 79 percent having been sent to 5,760 primary schools.
- The third tranche (distributed to schools in all 148 districts in the country) was sent to 2,540 pre-primary classes (kindergarten is not reported, but the share of disbursements to pre-primary level was 23 percent, the remaining 77 percent having been sent to 8,496 primary schools) (Source: December 2018 and February 2019 aide memoires).

In this same email, the task team stated that “the project did not track the use of funds actively, since this was (considered) beyond the scope of GPE II.” But this ICRR notes that the PDO is clear in its intent to achieve improved quality. Overall, support to pre-primary classrooms and kindergarten schools in response to COVID





was reported in the ICR, but there was limited reporting on the SBG disbursements, and no reporting on the management or use of these grants.

***Outputs and intermediate outcomes supporting the new reading readiness program for five-year-old children in pre-primary preparatory groups and kindergartens, added during the 2018 restructuring:***

- A total of 48 master coaches were trained to develop instructional materials, train coaches and teachers, and supervise program implementation, ***almost five times the original target*** of 10 (*Project data*). The number of coaches trained was increased due to changes in the training design.
- A total of 27 Teacher Training College faculty were trained to coach and train teachers in applying the reading readiness approach, ***surpassing the target*** of 24 (*Project data*).
- In total, 183 teachers were trained by coaches/master coaches on the application of the reading readiness approach, ***exceeding the target*** of 127 (*Project data*). This overachievement was due to some of the 127 target schools having more than one pre-primary teacher.
- The project provided 142 classrooms implementing the reading readiness program with a kit of instructional materials, ***exceeding the target*** of 127 (*Project data*). This overachievement was due to some of the 127 schools having more than one pre-primary classroom.
- An evaluation framework for reading instruction in Lao language to ethnic students was developed and submitted to MoES, ***achieving the target*** (*Project data*). The ICR notes (p. 19) that this achievement marks an important foundation from the social inclusion perspective that children from ethnic minority groups can benefit through developed reading instruction.

***Outcomes***

- Taking into account (1) the absence of any evidence on the meeting of minimum standards of quality at the pre-primary level, as a result of SBGs and SBM support to the pre-primary level (not quantified in the ICR or in the task team's email to IEG of March 2, 2023), and (2) the provision of COVID support to all pre-primary classrooms and kindergartens through the second and third restructurings to provide a safe environment in schools, there is overall limited evidence of achievement of improved quality at the pre-primary level as a result of SBGs and SBM capacity building.
- However, the project's successful implementation of the new reading readiness program for five-year-olds in pre-primary preparatory groups and kindergartens, introduced during the June 2018 restructuring, did contribute to improvements in the learning environment and capacities for the teaching and learning of early reading skills, as detailed below:
- 90 percent of teachers trained in the reading readiness program were found to implement the approach with high fidelity, as ascertained through classroom observations based on rigorous methodology. This level ***exceeded the target*** of 75 percent.
- The following ***learning outcomes*** among the first cohort of pre-primary children participating in the reading readiness program (exposed to 10 months of intervention) were documented in the project's impact evaluation (IE) study. These results cannot be compared to the original baselines and targets, because the target groups and baselines are different than what the IE measured. The original target group was composed of children who were slated to attend the reading readiness program after having already benefited from an ECE intervention supported under another Bank project. But procurement delays led to a new IE design in 2019, comparing the baseline and endline of new cohorts, within the IE timeline, who did not reside in villages benefiting from ECE



interventions. Original baselines and targets of ECE-exposed children are provided in parentheses, just to provide context and an indication of anticipated gains.

- The share of children in target classrooms with **awareness of print** increased by 1.9 percentage points, from a baseline of 2.2 percent to 4.1 percent (IE results). No target is reported. (The original intent was an increase of 20 percentage points, from 35 percent to 55 percent). In the absence of targets for the IE cohort, a comparison of actual percentage points gained with originally expected percentage point gains, along with the small size of the actual gains, indicate limited achievement. Disaggregated results are as follows:
  - A modest increase of 4 percentage points in the share of Lao Tai-speaking children in target classrooms, from 2.7 to 6.7 percent. (The original intent was an increase of 15 percentage points from 45 percent to 60 percent.)
  - A slight decrease of 1.9 percentage points in the share of non-Lao Tai-speaking children in target classrooms, from 1.6 to 1.5 percent. (The original intent was an increase of 25 percentage points, from 25 to 50 percent.)
  - A modest increase of 0.6 percentage points among boys in target classrooms, from 2.3 to 2.9 percent. (The original intent was an increase of 20 percentage points from 35 to 55 percent.)
  - An increase of 4.5 percentage points among girls in target classrooms, from 2.2 to 6.7 percent. (The original intent was an increase of 20 percentage points, from 35 to 55 percent.)
- The share of children in target classrooms **scoring 0 in a letter-sounding task in the Lao alphabet** declined by 20 percentage points, from 25.7 to 5.7 percent (IE results). No target is reported. (The original intent was a decrease of 20 percentage points from 100 percent to 80 percent. This applied to the aggregate group and to all disaggregated groups. The initial 100 percent baseline had been established because the ECE curriculum had focused on learning letter names vs. sounds.) In the absence of targets for the IE cohort, a comparison of actual percentage points gained with originally expected percentage point gains, along with the substantial size of the actual gains, indicate clear progress. Disaggregated results are as follows:
  - A decrease of 12.6 percentage points in the share of Lao Tai-speaking children in target classrooms, from 15.5 to 2.9 percent.
  - A decrease of 27.5 percentage points in the share of non-Lao Tai-speaking children, from 35.9 to 8.4 percent.
  - A decrease of 20.3 percentage points among boys in target classrooms from 25.6 to 5.3 percent.
  - A decrease of 16.7 percentage points among girls in target classrooms from 22.1 to 5.4 percent.

Overall, this objective was (barely) substantially achieved. There was inadequate evidence of the channeling of funding and capacity building to pre-primary education and especially of their use in achieving minimum standard service quality. Nevertheless, the ICR does report that the project, during its last two (extended) years, did provide two annual SBGs to all pre-primary classrooms and kindergartens in the country to improve the safety and quality of pre-school environments to improve hygiene and protect against COVID transmission. Moreover, pre-primary education quality was improved with the implementation of a reading readiness program for five-year-olds in pre-primary classrooms and kindergartens, which culminated in improved teaching and some improvements in learning of pre-reading skills.



Rating  
Substantial

## OBJECTIVE 2

### Objective

Support the Government of Lao PDR in improving primary education quality

### Rationale

As laid out in the PAD (Sections II and III), and reflected in the ICR (p. 8), the project sought to improve primary education quality through the achievement of two intermediate outcomes.

**The first intermediate outcome** (strengthened school-based management through increased financing for public primary schools and for education offices at district and provincial levels, and capacity building for the management and effective use of resources) was expected to contribute to the achievement of minimum education quality standards in public primary schools, especially those located in disadvantaged districts, which received extra support under the project. Key outputs supporting this intermediate outcome included: annual SBGs received (GoL-financed and matching grants from the project), regular meetings and enhanced capacity of village education development committees (VEDCs), strengthened management capacity of principals and school heads, districts equipped with annual, costed district education development plans, use of financial reporting systems, and public disclosure of budget information to communities. The financing of school-based grants was also expected to lower dropout rates, because they would lower out-of-pocket payments made by parents to compensate for the chronic underfinancing of school expenses.

**The second intermediate outcome** (establishment, support, and study of a reading development program for Grades 1 and 2) was expected to improve teachers' capacities, in-class teaching and learning materials, and teachers' supervision and oversight, all ultimately contributing to improved reading outcomes among early grade students.

### **Outputs supporting Strengthened School-Based Management (at primary level):**

At the district level:

- 148 school districts had annual, costed district education development plans, **fully achieving the target** of 148 (*DESB data*).
- 100 percent of DESBs use the government's financial reporting system for managing and reporting on their education funds, **fully achieving the target** of 100 percent.

At the school and community level:

- 100 percent of the (8,900) **public primary schools** in Laos received annual SBGs from both the government and the project, **fully achieving the target** (*Project data and Bank verification mechanism*), in amounts greater than estimated at project approval.
  - Government block grants:
    - *for primary students* increased from the original commitment of LAK 20,000 (\$2.5) to LAK 70,000 (\$8.85) per student per year; and



- *for pre-primary students* increased from LAK 15,000 (\$1.90) to LAK 50,000 (\$6.25) per student per year.
  - Complementary block grants provided under the project:
    - *for primary students* increased from the original commitment of LAK 20,000 (\$2.5) to LAK 30,000 (\$3.75) per student per year; and
    - *for pre-primary students* increased from LAK 15,000 (\$1.90) to LAK 50,000 (\$6.25) per student per year.
  - A total of 916,007 primary students in 8,900 primary schools benefited from SBM spending (provided in five tranches).
- The System Approach for Better Education Results (SABER) study revealed some of the ways in which the project supported schools' progress in approaching the minimum quality of service delivery:
  - **School and classroom resources:** There was a significant change in the share of schools providing classroom reading corners (from 19.4 percent in 2017 to 49.6 percent in the endline), with schools benefiting from the reading readiness program faring better than schools that did not. In short, almost half of intervention schools provided comfortable places to sit and read, as well as grade-appropriate reading materials, which may have impacted children's reading outcomes.
  - **SBG implementation:** Forty-four percent of the SBGs was spent on teaching and learning, ***meeting the threshold of 40 percent set at appraisal, but falling short of the 60 percent minimum threshold defined in the SBG manual during implementation.*** One-third of SBGs was spent on basic repairs, maintenance, utility costs, and expenses associated with meetings and travel. The remaining 23 percent financed other expenses, including consumables like water and COVID-related items. Two additional annual SBGs were provided to all public primary schools in the last two years of the project's (extended) life to support and equip schools to promote hygiene and prevent the spread of COVID.
  - **School and teacher support:** School principals reported that Pedagogical Advisers (PAs) had reviewed or observed 76 percent of the teachers in their schools, providing feedback on teaching methods (89 percent), teacher attendance (36 percent), teacher knowledge (29 percent), and classroom management (24 percent). No baselines were provided to indicate trends. The PAs provided only oral feedback in 34 percent of the schools, and written (or a combination of written and oral) reports in the remaining schools.
- DESB staff made regular monitoring visits to schools and school principals.
- 80 percent of **public primary schools** in the project's 88 priority districts had school development plans (SDPs) meeting minimum quality requirements, ***fully achieving the target*** of 80 percent (*SABER-Service Delivery surveys*). Under the original project design 80 priority districts were targeted, increased to 88 during the June 2018 restructuring when more reliable criteria were applied.
- Of the **public primary schools** that received grants, only 22 percent made budget information publicly available to communities, ***falling far short of the target*** of 80 percent (*DESB, DPPE and ECU*). The ICR Results Framework (Annex 1) notes that failure to achieve the target was partly due to COVID lockdowns (limited visits to schools) and partly because of shortcomings in school principals' performance.
- SBM capacity building activities were delivered to:
  - principals and heads of school in 100 percent of the 8,900 public primary schools, ***fully achieving the target*** of 100 percent (Project data); and
  - 100 percent of VEDCs, ***fully achieving the target*** of 100 percent (Project data).



- 88 percent of VEDCs met at least twice per school year, **almost achieving the target** of 100 percent. While high, this level was lower than the (2017) baseline of 99.4 percent, the slight decline attributable to disruptions caused by COVID-19 lockdowns and restrictions (SABER-SD surveys).

At the central level:

- In a March 2, 2023 email to IEG, the task team confirmed that support to the IEC, addressing gender in complement to disability and inclusion issues, envisaged under Component 1, was indeed provided. But it also noted that “the team raised issues of overall insufficiency of the Ethnic Group Development Plan monitoring and reporting on social inclusion through aide-memoires,” sensitizing the client about the importance of addressing this issue.

**Outputs supporting a reading development program for Grades 1 and 2:** Activities supporting the design, piloting, and evaluation of a reading development program for Grades 1 and 2, as originally conceived under Component 2, were delayed and then dropped during the project’s restructuring in 2018. As a consequence, **none of the following output targets was supported or achieved under the project.**

- 80 percent of trained principals and pedagogical advisors in pilot schools observe lessons and provide feedback to teachers;
- 400 Grades 1 and 2 teachers trained as a part of project interventions;
- 80 pilot schools receive a kit of instructional materials for Grades 1 and 2; and
- 120 pedagogical advisors and school principals trained to oversee this program.

Nevertheless, an evaluation framework for reading instruction in Lao language to ethnic students was developed and submitted to MoES, **achieving the target** set in the original project. This evaluation framework target was retained and incorporated into the reading readiness program for pre-primary students, which replaced the reading development program for Grades 1 and 2 at restructuring.

### **Intermediate Outcomes:**

#### **Strengthened School-Based Management, with Community Involvement, and Financial Management:**

Thanks to the substantial achievement of most of output indicators, the project was successful in strengthening public primary school-based management capacity and practice, and providing needed financial resources directly to public primary schools (and to districts) to enable them to carry out their due diligence (school plan development, implementation, oversight, monitoring and evaluation; reporting; financial management; and collaboration with communities).

#### **Strengthened School Environment, Approaches and Capacities for Improving Early Grade (Grades 1 and 2) Literacy:**

Because the 2018 project restructuring dropped the Grades 1 and 2 Reading Development Program from its activities, this intermediate outcome was not supported or achieved under the project.

### **Outcomes**





- From a 2017 (Year 2) baseline of 71 percent, 75.5 percent of public primary schools met the minimum quality of service delivery by the project's end (Year 6), an increase of 4.5 percentage points, **achieving only half the 9 percentage point increase needed to reach the target** of 80 percent (*SABER SD baseline and endline surveys*). As noted in the PAD, this indicator was focused on three dimensions of school quality that have a direct impact on sector challenges and are aligned with existing quality standards; (i) students; (ii) teaching and learning; and (iii) school environment and community participation, reflecting the necessary conditions for learning to take place in a school. However, as specified in the ICR (endnote xvi on page 62), the SABER questionnaire consisted of 10 modules, although two modules (teacher and student) were removed from the endline survey because, due to COVID restrictions, the survey firm enumerators could not conduct in-person interviews with teachers and students, and it was difficult to verify the teachers' and principals' records over a phone interview. The SABER SD was conducted in a representative sample of schools in priority districts and in non-priority districts.
  - While falling short of the target, progress was greater among priority district schools, whose minimum quality standards increased by six percentage points, from 68.7 to 75.3 percent, compared with non-priority schools, whose standards increased by 1.4 percentage points, from 74.2 to 75.6 percent.
- The primary education dropout rate decreased from a (2015) baseline of 5.2 percent to 4.1 percent by the project's end, **exceeding the target** of 4.5 percent (*Education Management Information System, EMIS*). In its March 2, 2023 email to IEG, the task team provided this data disaggregated by gender, indicating that the decrease of 1.2 percentage points for girls (from 4.8 to 3.6 percent) was slightly larger than the decrease of 1.0 percentage point for boys (from 5.6 to 4.6 percent). The ICR (Annex 1) notes that this is attributable, at least in part, to the significantly larger than planned school block grants provided under Component 1, given that a root cause for dropouts is parents' inability to pay fees to compensate for inadequate non-wage school expenditures. While this indicator had also been considered a proxy for education quality, the ICR (p. 12) noted difficulty in finding strong correlation between quality improvement and dropout rates within the project scope and timeline.
- Because of the 2018 project restructuring, the following **two outcome indicators were not supported or achieved** under the project:
  - A decline in the share of Grade 2 students in pilot schools who cannot read a single word (disaggregated by gender); and
  - The share of Grades 1 and 2 teachers in pilot schools who show improvement in teaching practices (measured through objective classroom observations). It is possible that these indicators may have been achieved under DFAT support to primary school curriculum, which caused the GPE support to be redirected to pre-primary children, but this was not reported in the ICR.

#### **Direct Project Beneficiaries:**

- The ICR reports a total of 953,208 direct project beneficiaries at the end of the project, of which 58 percent are female (*EMIS, Department of Inspection*). This falls short of **the original target** of 1,200,000 beneficiaries, but exceeds the target of half being female.

As was the case for the first objective, this objective was (barely) substantially achieved. Use of SBGs and strengthened SBM capacity did contribute to increases in the minimum quality of service delivery in public primary schools, especially among disadvantaged schools, although the target was not fully achieved. Investment in Grades 1 and 2 reading development was dropped at restructuring. Two additional





rounds of SBGs for public primary schools, provided during the last two years of the project's (extended) life, provided materials and support to improve public primary school hygiene and protect against the spread of COVID, after the onset of the pandemic. The surpassing of the target for reduced drop-out rate is attributed, in part, to the SBGs and their positive effect on school affordability to parents of the most vulnerable children, but this is likely more an indicator of affordability than quality.

Rating  
Modest

## OBJECTIVE 2 REVISION 1

### Revised Objective

Support the Government of Lao PDR in improving primary education quality

### Revised Rationale

The rationale of investments in SBGs and SBM capacity building for primary schools culminating in schools' abilities to achieve minimum quality service standards remained the same as for Original Objective 2. The rationale for investment in Grades 1 and 2 reading development is dropped from this revised objective, since the reading development program for this age group, and associated outcome indicators, were dropped at restructuring.

### *Outputs supporting Strengthened School-Based Management:*

These are the same as those reported under Original Objective 2.

### *Outcomes*

- From a 2017 (Year 2) baseline of 71 percent, 75.5 percent of public primary schools met the minimum quality of service delivery, by the project's end (Year 6), an increase of 4.5 percentage points, **achieving only half the 9 percentage point increase needed to reach the target of 80 percent** (SABER Service Delivery baseline and endline surveys). As noted in the PAD, this indicator was focused on three dimensions of school quality that have a direct impact on the sector challenges and are aligned with existing quality standards: (i) students; (ii) teaching and learning; and (iii) school environment and community participation, reflecting the necessary conditions for learning to take place in a school. However, as specified in the ICR (endnote xvi, p. 62), the SABER questionnaire consisted of 10 modules, although two modules (teacher and student) were removed from the endline survey because, due to COVID restrictions, the survey firm enumerators could not conduct in-person interviews with teachers and students, and it was difficult to verify teachers' and principals' records over the phone. The SABER Service Delivery survey was conducted in a representative sample of schools in priority districts and in non-priority districts.
  - While falling short of the target, progress was greater among priority district schools, whose minimum quality standards increased by six percentage points, from 68.7 to 75.3 percent, compared with non-priority schools, whose standards increased by 1.4 percentage points, from 74.2 to 75.6 percent.
- The primary education dropout rate decreased from a (2015) baseline of 5.2 percent to 4.1 percent by the project's end, **exceeding the target** of 4.5 percent (EMIS). In its March 2, 2023 email to IEG,



the task team provided this data disaggregated by gender, indicating that the decrease of 1.2 percentage points for girls (from 4.8 to 3.6 percent) was slightly larger than the decrease of 1.0 percentage point for boys (from 5.6 to 4.6 percent). The ICR (Annex 1) notes that this is attributable, at least in part, to the significantly larger than planned school block grants provided under Component 1, given that a root cause for dropouts is parents' inability to pay fees to compensate for inadequate non-wage school expenditures. While this indicator had also been considered a proxy for education quality, the ICR (p. 12) noted difficulty in finding strong correlation between quality improvement and dropout rates within the project scope and timeline.

#### **Direct Project Beneficiaries:**

- The ICR reports a total of 953,208 direct project beneficiaries, of which 58 percent are female (*EMIS, Department of Inspection*). This **exceeds the revised target** of 900,000 beneficiaries, of which half are female, modified at the time of the 2018 restructuring.

**Revised Rating**  
Substantial

## **OVERALL EFFICACY**

### **Rationale**

The achievement of Objective 1 (improving pre-primary education) was (barely) substantial. There was inadequate evidence of the channeling of funding and capacity building to pre-primary education and especially of their use in achieving minimum standard service quality. Nevertheless, the ICR does report that the project did provide two annual SBGs to all pre-primary classrooms and kindergartens in the country to improve the safety and quality of the pre-school environments to improve hygiene and protect against COVID transmission during the last two (extended) years of the project. Moreover, pre-primary education quality was improved with the implementation of a reading readiness program for five-year-olds in pre-primary classrooms and kindergartens, which culminated in improved teaching and some improvements in acquisition of pre-reading skills. Original Objective 2 (improving primary education quality) was modestly achieved. Minimum standard quality was only 50 percent achieved, though the dropout rate did decline more than the target, with girls' decline in dropout rate greater than that of boys. But there is no evidence that Grades 1 and 2 outcome targets under the reading development program (improved teaching and learning) were achieved. Targets were neither supported nor assessed.

**Project Attribution/Contribution.** In its March 2, 2023 email to IEG, the task team noted that the reported outcomes, primarily funded by the project, can be fully attributed to the project. In areas of overlap with other development partners (e.g., on the potential duplication of efforts for the reading development program), the project worked alongside other partners and interventions to coordinate and maximize impact.

**Project Counterfactual.** In its March 2, 2023 email to IEG, the task team pointed to the economic analysis, which explored the counterfactual, showing improved lifetime wage earnings, number of years of



formal schooling completed, and improved quality of education, over a scenario of no project/higher dropout rates.

**Overall Efficacy Rating**  
Modest

**Primary Reason**  
Low achievement

## OVERALL EFFICACY REVISION 1

### Overall Efficacy Revision 1 Rationale

As detailed above, Objective 1 (improving pre-primary education quality) was (barely) substantially achieved. The achievement of Revised Objective 2 was also substantially achieved, albeit on the low end of substantial. Use of SBGs and strengthened SBM capacity did contribute to increases in the minimum quality of service delivery in public primary schools, especially among disadvantaged schools, although the target was not fully achieved. Two additional rounds of SBGs for public primary schools, provided during the last two years of the project, provided materials and support to improve public primary school hygiene and protect against the spread of COVID after the onset of the pandemic. The surpassing of the reduced dropout rate is attributed, in part, to the SBGs and their positive effect on school affordability to parents of the most vulnerable children. But this is more an indicator of affordability than quality.

**Project Attribution/Contribution.** In its March 2, 2023 email to IEG, the task team noted that the reported outcomes, primarily funded by the project, can be fully attributed to the project, though they did note that the project worked alongside other partners and interventions to coordinate and maximize impact (the Grades 1 and 2 reading development program, cited as an example).

**Counterfactual.** In its March 2, 2023 email to IEG, the task team pointed to the ICR's economic analysis, which explored the counterfactual, showing improvements in lifetime wage earnings, years of formal schooling completed, and quality of education over a scenario of no project and (consequent) higher dropout rates.

### Overall Efficacy Revision 1 Rating

Substantial

## 5. Efficiency

A cost-benefit analysis (CBA) was undertaken at the time of appraisal, analyzing three scenarios: high impact (gaining the equivalent of one full year of additional education), medium impact (half a year), and low impact (two months). Under the three scenarios, using current returns to education of 10 percent per year completed, the net present value (NPV) of the benefits under the three scenarios would be, respectively, almost 20 times, 10 times, and two times larger, respectively, than the cost.



The ICR undertook an end-of-project CBA, also exploring three scenarios of learning outcomes for the SBG program (learning outcomes of children in the reading readiness program were assumed to be the same across the three scenarios at 0.61 years). The ICR's learning outcome estimates were less ambitious than those assumed in the PAD's analysis. Under the ICR's low estimate scenario (assuming no improvement in learning outcomes), using actual component costs and a real discount rate of 5 percent, the NPV of the project at completion is estimated at \$15.35 million, and the corresponding internal rate of return (IRR) is estimated at 6.85 percent. Under its intermediate scenario (assuming that improvement in learning outcomes for the SBM program would be equivalent to 0.125 years of schooling), the NPV increases to \$79.48 million and the IRR to 11.23 percent. The optimistic scenario (assuming that improvement in learning outcomes for the SBM program would be equivalent to 0.25 years of schooling), the NPV increases to \$144.07 million and the IRR to 13.73 percent. All three scenarios assumed improvement in the learning outcomes of children under the reading readiness program by 0.61 years. The present values of the benefits of the two components (SBGs and reading readiness program access) are greater than the present values of the investments across all three scenarios (ICR p. 52). The ICR notes that implementation delays were factored into the CBA, employing a conservative assumption that the first cohort of student beneficiaries started to enter the program three years after the project was initiated.

There were implementation efficiencies that facilitated achievement of outcomes. Virtually all (98 percent) of the GPE funds were utilized. Savings achieved under revised Component 2 (pre-primary reading readiness program) were reallocated to SBGs, allowing considerably more financing for schools during the project's life. Refinement of project targeting criteria increased the total number of disadvantaged districts from 80 to 88, all of which benefited from higher levels of government- and project-financed grants than originally planned.

However, spending of these grants (at 44 percent of total grants) on learning materials by these schools fell short of the 60 percent threshold specified in the SBG manual. There were also moderate implementation inefficiencies. As noted in the ICR (p. 24), the project experienced delays during the first two years of implementation. It took a full year to get a consensus among development partners to agree on SBM training material, and the delivery of SBM training took four months longer than anticipated. Procurement of technical advisors to develop and implement the reading development pilot intervention took approximately two years, and the reading pilot design was changed in December 2017. Ultimately, project restructuring in June 2018 was undertaken to avoid duplication of efforts with the national primary education curriculum activities of the DFAT's BEQUAL program. With the agreement of GoL, the Bank, and the LAO PDR ESWG, the project moved its reading development focus away from primary school Grades 1 and 2, and instead developed a reading readiness program for five-year-old children in pre-primary education. The onset of the COVID pandemic and the consequent closing of schools, along with severe limits on the ability to conduct project activities, supervision, and monitoring caused by the pandemic, resulted in unavoidable implementation delays, despite efforts to mitigate them. The closing date was extended three times for a total of 2.5 years.

## Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

Rate Available?	Point value (%)	*Coverage/Scope (%)
-----------------	-----------------	---------------------



Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	11.23	100.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

**Under the project's original outcome targets:** The relevance of the PDO is rated **high**; efficacy in achieving Objective 1 (improvement of pre-primary education quality) is rated (barely) **substantial**, efficacy in achieving Objective 2 (improvement of primary education quality) is rated **modest**, and efficiency is rated **modest**. These ratings produce an Outcome rating under the original outcome targets of **Moderately Unsatisfactory**.

Under the project's revised outcome targets: The relevance of the PDO is rated **high**; efficacy in achieving Objective 1 (improvement of pre-primary education quality) is rated (barely) **substantial**; efficacy in achieving Revised Objective 2 (improvement of primary education quality) is also rated (barely) **substantial**; and efficiency is rated **modest**. These ratings produce an Outcome rating under the revised outcome targets of **Moderately Satisfactory**, the efficacy ratings for both objectives were on the low end of **substantial**, with moderate shortcomings.

The overall Outcome of the project, weighted by disbursements made before and after restructuring, is **Moderately Satisfactory**. (See Table below).

Rating	Original outcome targets	Revised outcome targets
Relevance of PDO	High	
Efficacy:		
Achievement of Objective 1	(barely) Substantial	(barely) Substantial
Achievement of Objective 2	Modest	(barely) Substantial
Efficiency	Modest	Modest
1. Outcome	<b>Moderately Unsatisfactory</b>	<b>Moderately Satisfactory</b>
2. Numerical value of outcome ratings	3	4
3. Disbursement	\$5.47 million	\$11.10 million
4. Share of disbursements	33%	67%
5. Weighted value of the outcome rating	0.99	2.68
6. Final outcome rating	<b>Moderately Satisfactory</b> (3.68 rounded up to 4)	



**a. Outcome Rating**

Moderately Satisfactory

## **7. Risk to Development Outcome**

The GoL's budget for education is low in international terms and inadequate to support the ambitious agenda of Laos PDR's Education Sector Plan (2021-25). Moreover, the seriously constrained fiscal situation in Laos PDR leaves slim prospects for allocating more public resources to the sector. Financial sustainability therefore poses a high risk to development outcomes. The government's ability to sustain the school grants provision (averaging LAK 55,000, or \$5 per student) is of great concern. In the meantime, the SGB program is continuing with the support of the Learning Equity and Acceleration Project.

All 8,390 school principals in the country received SBM training by the project's end, and all schools had received funds, meaning that this training had been applied. This bodes well for institutional sustainability. If interested donor partners provide support, the GoL's prospects to institutionalize the SBM and SGB will be considerable.

The substantial training of coaches, master coaches, and college faculty trainers, undertaken to establish the reading readiness program, is assessed by the ICR to be a significant contribution to the sustainability of quality improvement activities at the pre-primary level. Master coaches and faculty trainers were fully equipped with the technicality of teaching reading in the early grades for future intervention and are in a position to continue support and oversight. Nevertheless, the reading readiness pilot and its IE findings are not ready to scale up, and it is not clear that learning gains will be sustained without further support, the Learning Equity and Acceleration Project notwithstanding. Children's exposure to the program was cut short (to less than a school year) because of implementation challenges and school closures due to COVID. Another IE is warranted to gain a deeper understanding of the program, and a phased implementation, starting with priority districts, would be a way of building sustainability, in sync with limited funding.

## **8. Assessment of Bank Performance**

**a. Quality-at-Entry**

During the course of project development, the 2012 Lao PDR EGRA and 2013 Programme for Analysis of Education Systems provided sound assessments of primary and pre-primary education that facilitated alignment of the project with the Sustainable Development Goals. The prioritization of disadvantaged districts supported the higher-level objectives of GoL's poverty reduction and ethnic development. The project design was built on the principles of (1) using and strengthening existing mechanisms of the EMIS of the Ministry of Finance and MoES, and (2) promoting MoES collaboration with strong community groups like VEDCs in the implementation of SBM and reading development program. The project was the first of its kind in Lao PDR, with its strong focus on improving quality in primary and pre-primary





education. Earlier projects had supported enrollment and language of instruction. Another strong feature of project design was that it was built around strong partnerships with other development partners. The project's evidence base was strong, drawing on both local and international evidence on what works for improving reading skills. Nevertheless, no consensus was reached within the sector during implementation on the reading development program design. The SBM design seemed sound in its aim to improve teaching practices and to increase incentives to this end.

The appraisal stage involved the assessment of risks on environmental, social, financial management, and procurement systems and capacities, and the development of proposals for risk mitigation and risk management. To this end, the Bank team developed an Implementation Support Plan detailing project supervision, technical oversight, fiduciary oversight, external audit, procurement training, and donor coordination. Supervision missions were planned to take place twice a year, properly staffed with fiduciary and procurement specialists, task team members, and relevant Bank consultants.

As detailed in Section 9 on M&E below, the design of the results framework revealed weaknesses in the project's results chain and in the choice of outcome indicators to measure PDO achievement, especially the absence of indicators to assess the results chain of SBGs and SBM capacity building for pre-primary education quality improvements.

### **Quality-at-Entry Rating** Moderately Satisfactory

#### **b. Quality of supervision**

The first restructuring was an appropriate response to the decision by DFAT to fund Grade 1 and Grade 2 curriculum work, which the project was initially designed to support. Although the task team, in its March 2, 2023 email to IEG, notes that it took some time, the reaching of consensus among development partners to avoid a duplication of efforts was well founded. The replacement of the reading development program for Grades 1 and 2, under the project, with the reading readiness program for five-year-olds preserved the project's potential to contribute to improved reading skills of young children. The monitoring scheme designed to measure the impact of the reading readiness program was technically sound, but complex. The two subsequent restructurings were effective and important responses to the large, external shock of the COVID-19 pandemic. They supported the safe re-opening of schools and increased direct project support to schools to address this emergency. A shortcoming of the supervision and restructuring work was the missed opportunity to further refine the PDO and theory of change.

Supervision and implementation support missions took place at least twice annually, as planned. Aide-memoires conveyed key findings, including implementation gaps and challenges, and prompted key discussions with MoES counterparts and recommendations for follow-up activities. Supervision of financial management, procurement, and environmental and social safeguards was carried out once a year, jointly by relevant technical specialists. While safeguards and fiduciary specialists were based in the country office, providing day-to-day and continuous support, the task team, in its March 2, 2023 email to IEG, does note shortcomings in the integration of social safeguards monitoring during implementation and, in retrospect, the necessity of twice-yearly supervisions and reporting on social safeguards. Over and



above supervision missions, the task team members and MoES team met regularly, every month, to discuss implementation issues and find solutions to issues and challenges.

In retrospect, M&E issues, raised in Section 9, might have been mitigated had the Bank's supervision of the reading readiness program IE and SABER-Service Delivery study been stronger and had the Bank provided more guidance during the IE design phase. More attention of the Bank team to the consistency of the IE survey design and more proactive management of the data collection timeline may have enabled reporting on PDO indicators 3 and 4 measuring learning outcomes.

### **Quality of Supervision Rating**

Moderately Satisfactory

### **Overall Bank Performance Rating**

Moderately Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

There was an issue with the clarity of the PDO, "to assist the GoL in improving pre-primary and primary education quality," which remained unchanged throughout the project's life. While the PAD specified that beneficiaries included both pre-primary and primary students, and the ICR's presentation of the theory of change includes both pre-primary and primary cohorts, there were no indicators to measure or track pre-primary outcomes (e.g., pre-primary education quality) or outputs (e.g., grant financing, capacity building for managing funds), nor was there specific mention in the project description of how pre-primary education quality would be supported.

Project restructuring included additional indicators to measure outputs and outcomes of the new pre-primary reading readiness program, improving linkages between outputs, intermediate outcomes of that program, and PDO achievement. But there were no indicators added to clarify the support to pre-primary education quality, under Component 1 of the original project. Learning outcome measures for the reading readiness program could be measured only through highly sophisticated and rigorous technical surveys, which may have been too challenging in the context of Lao PDR, even through qualified forms.

### **b. M&E Implementation**

Procurement delays and COVID lockdowns ultimately caused the (already challenging) targeted surveys of pre-primary learning outcomes not to be carried out.

An impact evaluation (IE) of the reading readiness program was conducted to assess its impact on children's development and early literacy skills in pre-primary and kindergarten classrooms. Household-level measurements explored the social demographics of the children's family, ethnicity, and parenting skills, and school-level measurements assessed the learning environment and teacher efficacy. The COVID-19 pandemic disruptions (school closures, field work interruptions), combined with procurement



delays, undermined the baseline data collection for Cohorts 1 and 2 prior to program start. Endline data collection was completed in April 2021. Despite the shortening of the data collection period due to the second round of COVID restrictions and school closings, sufficient data was collected to evaluate the program impact. Still, school closures made it hard to detect an impact. The first cohort of pre-primary children were exposed to the pre-primary reading readiness program for 10 months, while the second was exposed to the program for only four months. Reported results were confined to the first cohort.

The SABER-Service Delivery data collection provided a 2017 baseline and 2021 endline to assess school service delivery quality outcomes. The endline data collection exercise was undertaken to determine school autonomy, accountability, and accessibility in 205 sampled primary schools and was completed in November 2021. Due to school closures during 2021, the scope of endline data collection was reduced, curtailing the ability to measure all the same indicators as collected for the 2017 baseline. The data collection firm was unable to include student assessment and classroom observation in the survey questionnaire. The team did provide additional questions and modules exploring: (i) school block grants; (ii) the new primary curriculum rollout; and (iii) the COVID pandemic and measures taken by schools. Travel restrictions undercut visits to schools. But the completion of phone interviews (in October 2021) enabled the project to report on PDO indicator 1 (schools reaching minimum quality standards).

**Sector monitoring:** The project supported the building of M&E capacity of MoES. It supported two workshops on the use of tools for M&E of activities against the ESSDP and on reporting protocols: (1) a workshop for provincial staff, conducted in July 2020; and (2) a workshop for central staff, conducted in December 2020. Due to the COVID-19 situation, planned follow-up visits to PESS and DESBs to provide additional support for the application of the tools had to be cancelled.

In its March 2, 2023 email to IEG, the task team noted that the project M&E responsibilities set out in the original design were fulfilled or restructured. The Department of Finance monitored the SBG transfers and spending, but not other components. Restructuring in 2018 changed M&E data sources, DPPE's role was dropped in several activities, and the data source was replaced by SABER Service Delivery baseline and endline surveys. The Department of Inspection was responsible for sector monitoring, including the reporting of project progress to the Education Sector Development Plan's annual review, which was done in a timely manner.

### **c. M&E Utilization**

The findings and lessons from the IE on the (GPE II) reading readiness program made an important contribution to the upcoming surveys and the implementation design of the follow-on (GPE III) Learning Equity and Acceleration project. The IE design was primarily anchored in the ECE project's midline survey and served as a baseline for the GPE III project. IE results, shared with GoL, are expected to have potential influence on policy, and to be acted upon under GPE III. The findings of the SABER-Service Delivery survey are also expected to contribute to the design and implementation of the national rollout of additional SBGs and serve as an evidence base for further improvement of the GPE III project.



## M&E Quality Rating

Modest

### 10. Other Issues

#### a. Safeguards

During appraisal, the project was classified as Environmental Assessment Category “B.” The SBG program did not allow new construction, extension, or major rehabilitation of facilities. No major environmental and social safeguards issues were anticipated in the project; and no land acquisition, loss of lands, and/or resettlement concerns were expected. The Bank’s Environmental Assessment policy OP 4.01 was triggered due to the need to address the environmental, health, and safety requirements for carrying out minor school maintenance and repair works, and to assess and take into account the social aspects of the project, particularly any impacts on Indigenous Peoples communities. An Environmental Code of Practice was prepared as a guide for the schools and communities to put in place mitigating measures in carrying out minor works in line with their regular building maintenance practices, and was disclosed on August 20, 2014 at the InfoShop, and in-country on MoES’ website in both Lao and English on August 22, 2014.

During project preparation, MoES undertook a social assessment and produced an Ethnic Group Development Plan for the project. The project was designed to focus on priority districts (80 in the original design, 88 after the first restructuring), centered on the most disadvantaged populations and socio-economically deprived households, and diverse non-Lao-Tai ethnicities, whose educational outcomes were poor. As noted in Section 4, the IE results showed that children from Khmer and Hmong ethnic groups benefited most in terms of learning outcomes from the reading readiness program.

**Social Safeguards.** The ICR (p. 22) notes that, although social inclusion and safeguards monitoring were not highlighted in the project implementation Status and Results Reports (ISRs), social inclusion was embedded in the project design, selection of priority districts, and the learning outcome of ethnic minorities. There was a shortcoming in the integration of social safeguards monitoring during project implementation. Experience under the project pointed to the importance of more regular (twice-yearly) supervision of social safeguards, the full integration of social safeguards reporting in the Bank’s internal reporting system (ISRs), and a designated safeguards team in the ECU to improve implementation, oversight, and reporting (task team’s March 2, 2023 email to IEG). All of these lessons were incorporated into the follow-on (GPE III) project. There were no independent reviews of safeguards implementation. SBG spending was for very minor repair of school furniture, and so the mitigation measure was not a requirement (task team’s March 2, 2023 email to IEG).

#### b. Fiduciary Compliance

##### **Financial Management**

At the time of appraisal, an assessment of financial management (FM) capacity was based on the assessment of the same implementing agency (ECU and Department of Finance of the MoES), carried out in 2013 for the Early Childhood Education Project, which had successful FM implementation. The assessment was updated for activities and arrangements specific to the proposed project. The overall FM



risk was assessed to be Substantial. The main risks identified included: the decentralized and participatory nature of the financing and activities involving school/community, district, and provincial levels where FM capacity was low; the inability to liquidate advances in a timely manner and to monitor and provide timely information on commitments; and potential delays in the transfer and shortage of funds. Risk mitigation measures were put into place, including: an acceptable operational manual for SBG, including a school/community guide; increased transparency in the use of funds through periodic public disclosure at the local level; an acceptable finance and administration manual and systems to improve timely liquidation of finances and recording of commitments; an increase in the number of skilled staff at the central level; improvement of semi-annual expenditure projections; and training of school/community beneficiaries and MoES finance staff at all levels. Fulfillment of these mitigation measures made FM arrangements compliant with OP/BP 10.00 on Financial Management.

In its March 2, 2023 email to IEG, the task team noted that FM supervision was undertaken roughly every six months and recorded in the FM system. During the last two years of implementation, monthly and sometimes weekly check-ins with the implementation team, coupled with a lower/more moderate project risk, allowed for less frequent implementation support missions (once vs. twice a year). Throughout the life of the project, FM performance reflected good practice. Interim Financial Reports and audits were submitted mostly on time. Late submissions of the FY20 and FY21 audits were due mainly to COVID-19 lockdown restrictions. The auditor's opinion was unqualified throughout implementation (task team's March 2, 2023 email to IEG). Improvements in the liquidation of the outstanding advances were made, and, at the time of the ICR preparation, there was no pending, unliquidated outstanding advance, according to the advance monitoring report.

### ***Procurement***

Procurement of goods and works under the project was carried out in accordance with the Bank's procurement guidelines. During appraisal the Bank carried out an assessment of the ECU's procurement capacity. The unit's performance was deemed fully satisfactory under the previous (EDP II) project and the ongoing EFA-FTI program, with no major procurement issues at the central level. However, there were issues with filing and implementation at the provincial, district, and community levels, indicating a need to strengthen capacity at these levels. Procurement risk was rated as Substantial. An action plan was agreed with MoES -- and ultimately implemented -- to improve procurement capacity, including: the retention of a national procurement consultant experienced in Bank procedures; the assignment of qualified government staff to coordinate and follow up on procurement activities, supported by the procurement consultant; the delivery of intensive procurement training for provincial and district staff within one month after effectiveness and periodically during implementation; the training of school staff; and the updating of the existing SBG manual to include simple procurement procedures, forms, and record keeping procedures for provinces, districts, and communities. The ECU, at appraisal, had also prepared a detailed procurement plan for the four-year implementation period, discussed and agreed with the Bank in March 2015, which provided the basis for the selected procurement procedures, to be updated as required to reflect changes in implementation needs and capacities.

Despite risks identified at the project's outset and the implementation of a risk mitigation plan, along with semi-annual checks and implementation support provided by the Bank team, procurement delays constrained smooth and timely implementation. The reading readiness program endline report (on the undertaking of the IE) noted that there were significant variations in the terms of the contract. Specifically, while the endline data collection and analysis involved the same study design and the same schools as the baseline study, the recruitment of a second cohort of students incurred an increase in costs and an



extension of time. In short, originally one cohort of students was envisaged for the reading readiness program, with baseline and endline data collection and analyses planned, respectively, for October 2019 and April/May 2020 (based on 7-8 months of exposure to the program). But actually, due in part to COVID delays, two cohorts of children were exposed to the program at different times, requiring the undertaking of separate baselines and endlines for each cohort: (1) the baseline and endline for the first cohort were, respectively, November/December 2019 and December 2020 (based on 10 months of program exposure); and (2) the baseline and endline for the second cohort were, respectively, December 2020 and April/May 2021 (based on 4 months of program exposure). The task team noted that all procurement activities were completed before the project's closing date (March 2, 2023 email to IEG).

### c. Unintended impacts (Positive or Negative)

In response to the onset of COVID and its impact on school closings and safety, the project was extended by 2.5 years, and two additional rounds of school-based grants were provided to 11,493 kindergarten schools, 2,923 pre-primary classrooms, and 8,570 primary schools, enabling them to purchase sanitation toolkits including soaps, alcohol gels, and masks. The project's original aim for SBM and SBG was to invest 76 percent of the total project value, but this reached 83.2 percent due to additional tranches for COVID response.

### d. Other

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## 11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	A split rating against original and revised outcomes under Objective 2, weighted by share of disbursements before and after the June 2018 restructuring, coupled with a modest efficiency rating, culminated in a Moderately Satisfactory rating.
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Modest	

## 12. Lessons





The following lessons were presented in the ICR, slightly reworded by IEG to be more succinct:

- Failure to explore the innovative use of information technology can be a missed opportunity to overcome monitoring challenges in the context of a pandemic. Regular school inspections and monitoring visits were not carried out due to travel restrictions, leaving the project with considerable difficulty in obtaining monitoring data. The use of smart phone-based Open Data Kit (ODK) or Kobo Collect Apps could have helped the implementers obtain school-level data, and would be useful to consider in future interventions.
- The opening of school bank accounts for school-based grant implementation enables transparent flow of funds and budget execution at the school level. The project was able to mainstream this practice into the national system, complemented with financial management training for school principals. The school bank accounts were capable of receiving other financial resources in addition to the funding under the project, a practice that might be applied to other school funding projects in the region.
- In the event that pilot projects are not ready, by an operation's completion, to provide firm evidence upon which to recommend revisions and/or scaling up, the continuation of those pilots, rather than their termination, could be a way to ensure the collection of needed evidence to ensure sound decisions about whether or not to scale up.
- Delays in reaching consensus by development partners and the government on the approach to school-based management and financing (and related training materials) can cause implementation delays and a lack of coordination of various sources of support. The clear articulation of the Grant Agent's role can ensure that it is in a position to make technical decisions independently.

IEG's review offers an additional lesson:

- Failure to establish clear outcome indicators (and supporting output and intermediate indicators) for all dimensions of a PDO statement can lead to the inability to assess unequivocally the achievement of all of the project's intended outcomes. In the case of this project, achievement of the objective to improve pre-primary education quality, through the provision of school-based grants and accompanying capacity building to manage and use these resources effectively, could not be fully assessed.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

As indicated in IEG's suggested lesson, above, the **Quality of Evidence** was lacking for exploring the improvement of quality of pre-primary education. It is not clear from the ICR whether the task team has additional evidence about the channeling of grant resources and training to pre-primary classrooms and kindergartens, and the extent to which these may have supported the achievement of minimum standards of



quality. The evidence that was cited for public primary schools did provide sufficient information about the use of funds and strengthened capacity for quality improvements.

The **Quality of Analysis** was deficient. The analysis was not tightly woven around a solid results chain or theory of change. This issue is grounded in the modest M&E rating, which did not include indicators or measures to track the project's provision of SBGs to the pre-primary level, or their use in improving quality of pre-primary education. The reporting on the provision of SBGs during the project's last two years (of its extended life) to provide materials and support to prevent the spread of COVID-19 was an exception, as it itemized the number of pre-primary classrooms and kindergartens that received this support.

The **Quality of Lessons** was mixed, providing some insights from the project, but needing some clarification in their articulation and links with the ICR's storyline.

The ICR's **Results Orientation** was not sufficiently strong. More effort in delving into the pre-primary quality improvement storyline and results chain may have shed more light on the extent to which this objective was achieved and why (or why not).

**Internal Consistency/Adherence to Guidelines.** There were shortcomings in the reporting on Safeguards and on Financial Management, which were corrected and incorporated into this ICRR during a meeting with the TTL.

**a. Quality of ICR Rating**  
Modest