

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

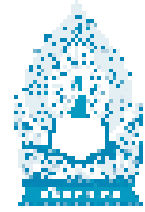


Education for All National Plan of Action 2003-2015

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity



Ministry of Education
Department of General Education



Education for All National Plan of Action 2003-2015



Prepared with technical and financial support from UNESCO Bangkok

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Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No. 69/PM
Vientiane Capital, 24 March 2005

Prime Minister's Decree:
Approval of the Education for All
National Plan of Action 2003 - 2015

- With reference to the Government of Lao PDR Law No. 02/NP, dated 6 May 2003.
- With reference to the Education Law No. 03/NP, dated 8 April 2000.
- With reference to the Proposal of the Minister of Education No. 151/MOE/05, dated 16 February 2005.

The Prime Minister issued the Decree

Article 1: Approval of the Education for All National Plan of Action 2003 - 2015 dated December 2004 which the Government Cabinet Meeting on the 30th December 2004 approved.

Article 2: The Ministry of Education will take the lead and coordinate with the concerned Ministries to concretize and implement this National Plan of Action.

Article 3: All ministries, relevant organizations, mass organizations, provinces, Vientiane Capital, special zone and concerned agencies should acknowledge, cooperate and mutually implement this decree effectively.

Article 4: This decree is enforced from the date of the signing.

For the Prime Minister of Lao PDR
Deputy Prime Minister

(Signed and sealed)

Buasone Bouphavanh

INTRODUCTION

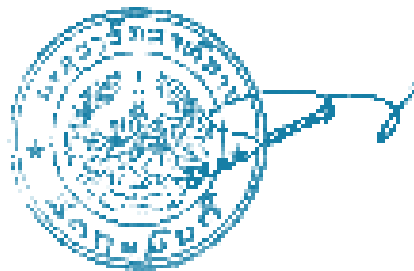
The formulation of the National Education for All (EFA) Action Plan has undergone a careful process of consultation with senior technical officials of key Ministries, education specialists of each Department of the Ministry of Education, Provincial Vice-Governors and Heads of Provincial Education Services, the participation of the donor community, and has been approved by the Government's Cabinet Meeting on the 30th December 2004.

The National EFA Action Plan contains the Government's policy and strategic framework for action for basic education which covers development targets and programmes for six basic education sub-sectors, including Early Childhood Care and Development (ECCD), Primary Education, Lower Secondary Education, Youth and Adult Literacy, Skills Development Programme for Disadvantaged Groups, as well as cross-cutting themes such as gender, inclusive education and special programmes for children with special needs and socio-economically difficulties children, school health and HIV/AIDS prevention. The Plan integrates the goals and targets of the National Growth and Poverty Eradication Strategy (NGPES), the Millennium Development Goals and all donor projects.

The National EFA Action Plan is costed and includes a resource implication assessment within a macro-economic and annual fiscal framework. It articulates the linkages with the NGPES and MDG, which lays out an approach for the National EFA Action Plan implementation at local levels to operationalize the education development plan and the NGPES.

May I, on behalf of the Ministry of Education and the National EFA Commission, convey to the international and donor community our commitment to achieve the National EFA Goals and Targets in accordance with the Dakar Framework for Action adopted at the World Education Forum in Dakar, Senegal in April 2000.

Minister of Education



H.E. Phimmasone Lueangkhamma

ABBREVIATIONS

ADB	Asian Development Bank
AIR	Apparent Intake Rate
ASLO	Assessment of Learning Outcomes
AT	Academic Teacher
BEGP	Basic Education (Girls) Project
CACIM	Committee for the Approval of Curriculum and Instructional Materials
CLC	Community Learning Centre
CLE	Concentrated Learning Encounter
CMDT	Curriculum and Material Development Team
CNTC	Charter of National Teacher Competencies
CPC	Committee for Planning and Cooperation
CPI	Committee for Planning and Investment
CRC	Convention of the Rights of the Child
CSN	Children with Special Needs
DEB	District Education Bureau
DGE	Department of General Education
DIT	District Inclusive Education Trainer
DNFE	Department of Non-formal Education
DOP	Department of Organization and Personnel
DPC	Department of Planning and Cooperation
DTT	Department of Teacher Training
ECCD	Early Childhood Care and Development
EDP2	Second Education Development Project
EFA	Education for All
EMIS	Education Management Information System
EQIP I	First Education Quality Improvement Project
EQIP II	Second Education Quality Improvement Project
GCT	Guidelines for the Certification of Teachers
GDP	Gross Domestic Product
GOL	Government of Lao PDR
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
HPS	Health Promotion in Primary School
ICT	Information and Communication Technology
IE	Inclusive Education
INGO	International Non-governmental Organization
KG	Kindergarten
LDC	Least Developed Countries
LNLS	Lao National Literacy Survey
LRHS	Lao Reproductive Health Survey
LSE	Lower Secondary Education
LSS	Lower Secondary School
MDG	Millennium Development Goal
MOE	Ministry of Education
MOF	Ministry of Finance
MTEF	Medium-term Expenditure Framework
NCT	Newly Certified Teacher
NEM	New Economic Mechanism

NER	Net Enrolment Ratio
NFE	Non-formal Education
NGO	Non-governmental Organization
NGPES	National Growth and Poverty Eradication Strategy
NPA	National Plan of Action
NRIES	National Research Institute for Education Sciences
NTC	National Training Council
NTEAB	National Teacher Education Advisory Board
NTEP	National Teacher Education Plan
ODA	Official Development Assistance
PA	Pedagogical Advisor
PDC	Professional Development Coordination
PDP	Provincial Development Plan
PES	Provincial Education Service
PESL	Primary Education Support in Lao PDR
PIP	Public Investment Programme
PIT	Provincial Inclusive Education Trainer
PM	Prime Minister
PSM	Provincial Simulation Model
SDS	Sector Development Strategy
SME	Small and Medium Enterprise
STD	Sexually-transmitted Disease
SWAp	Sector Wide Approach
TE	Teacher Education
TEADC	Teacher Education and Administration Development Center
TEE	Total Education Expenditure
TEEC	Teacher Education Evaluation and Coordination
TEI	Teacher Education Institution
TNA	Teacher Needs Assessment
TOT	Training of Trainer
TT	Teacher Training
TTC	Teacher Training College
TTEST	Teacher Training Enhancement and Status of Teachers
TTI	Teacher Training Institution
TUP	Teacher Upgrading Programme
TVET	Technical and Vocational Education and Training
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
USS	Upper Secondary School
UXO	Unexploded Ordnance
VAT	Value Added Tax
VDF	Village Development Funds
VET	Vocational Education and Training

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EXECUTIVE SUMMARY

The Lao People's Democratic Republic (PDR) Education for All National Plan of Action (EFA NPA) for 2003-2015 seeks to accomplish three major tasks: equitable access, improved quality and relevance, and strengthened education management.

Close coordination between the Lao Millennium Development Goals (MDGs), National Growth and Poverty Eradication Strategy (NGPES) and the Lao PDR EFA National Plan of Action is essential because those areas where EFA problems are most severe are those in which poverty is greatest. To achieve EFA's national goals requires that the greatest efforts will need to be made in the poorest districts.

The Ministry of Education (MOE) is responsible for formal and non-formal education (NFE) at all levels. In addition to the public provision of education, there is also private sector provision, for which MOE has oversight responsibility. During the past 12 years, with the assistance of international organizations, investments have been made in basic education programmes, school construction, the establishment of Community Learning Centres and the production and distribution of textbooks, with the result that access to basic education has shown some improvement. However, education services are still insufficient to meet the needs of the population. Public spending on education as a share of Gross Domestic Product (GDP) has increased gradually over time, but is still low by international and regional standards. Therefore, a National Plan of Action has been developed in order to meet the EFA goals for universal basic and primary education, reach disadvantaged population groups in rural and urban areas, promote community participation of basic education and literacy at the grassroots level, and improve the relevance and quality of basic education through enhancing the learning opportunities for children, youth and adults.

The NPA for EFA concentrates on 4 priority segments:

- Early Childhood Care and Development (ECCD)
- Primary Education
- Lower Secondary Education (LSE)
- Non-formal Education and Skills Training

In the long term, all levels and types of education must be developed to maximize economic growth, eradicate poverty and reduce inequalities. Employment has been one of the main problems in the past years and is one of the key challenges for the future, with about 140,000 young adults entering the labor market every year.

The following main policy issues have been considered when designing the NPA:

- Balanced sector development
- Balanced development of EFA sub-sectors
- Salary increases compatible with public resources
- Other incentives (quotas and scholarships)
- Macro-economic progress and financial feasibility
- Risk assessment in relation to available public finances

Early Childhood Care and Development

The EFA NPA main targets seek to:

- Reach an enrollment rate of 11% for 3- and 4-year-olds in 2010, and 17% in 2015.
- Reach an enrollment rate of 30% for 5-year-olds in 2010, and 55% in 2015.
- Attain a share of enrollment of 20% in community kindergarten (KG) in 2010, and 30% in 2015.
- Attain a share of enrollment of 25% in private KG in 2010, and 30% in 2015.

This requires targeted and additional resources to give these children opportunities for early childhood care and development activities. The NPA promotes access of 5 year olds to pre-school education by establishing a special primary school class to prepare 5-year-old children for Grade 1, particularly targeting ethnic groups, girls and children from the poorest families. Priority has been given to the development of pre-schools over crèches, and to pre-school admissions for children aged 5 years over younger children.

In order to alleviate some of the costs to the state budget, the option of promoting community pre-school with some MOE assistance has been considered to be based on enrollment rates in crèches and pre-schools; and the share of public and community institutions as compared with private institutions.

Primary Education

In striving to achieve universal access to and completion of primary education, the EFA NPA main targets seek to:

- Convert 80% of incomplete primary schools to complete schools by 2010.
- Provide primary school access to children from all unserved villages by 2010 (average of two villages served by one new school).
- Reach an Apparent Admission Rate of 100% for both girls and boys by 2010.
- Reach a Gross Enrollment Rate of 95.8% (girls), 97.8% (boys), and 96.8% (total) in 2010, and of 100% for both girls and boys in 2015.
- Reach an Effective Enrollment Rate of 89.7% (girls), 91.4% (boys), and 90.6% (total) in 2010, and of 97.8% for both girls and boys in 2015.
- Reduce Repetition Rate in Grade 1 to 10% for both girls and boys in 2010, and to 3% in 2015.
- Reduce Dropout Rate in Grade 1 to 5% for both girls and boys in 2010 and to 2% in 2015.
- Reduce Dropout Rate in Grade 5 to 1% for both girls and boys in 2010.
- Increase Primary Completion Rate to 75.4% (girls), 79.5% (boys), and 77.4% (total) in 2010, and to 88% (girls), 88.3% (boys), and 88.1% (total) in 2015.
- Maintain a constant Pupil-Teacher Ratio that does not exceed 31:1.

The most important target for achieving EFA is universal quality primary education by 2015, with equitable access and completion as medium-term objectives. The number of children in the primary education age range will increase from 753,500 in 2000 to 889,600 by 2015. There are strong disparities between gender, ethnic groups, poor, non-poor, urban, rural and remote areas. Low enrollment and completion rates are concentrated among children in rural, remote and ethnic group areas, particularly children from low income families and ethnic group children in poor districts. School facilities in rural areas, in general, are mostly temporary facilities lacking play and learning materials, as well as basic sanitation facilities like clean water and toilets.

Lower Secondary Education

The main NPA targets seek to:

- Achieve parity between girls and boys in access to lower secondary education, both globally and in ethnic group/the poorest areas.
- Reach a national transition rate from Grade 5 to Grade 6 of 82.5% in 2010, and 85% in 2015.

The expansion of primary education is directly linked to the demand for secondary schooling. Lao PDR also has a relatively young population, with 43.6% of the population under 15 years of age (45.2% rural areas, 37.2% urban areas). The demographic pattern of the population points to the strain on current education and training resources to meet demand, particularly in rural areas. Achieving EFA is also dependent on controlling student flows, especially transition rates from Grades 5, 8 and 11 to further studies. Universal access to primary education and reduced repetition and dropout rates, especially in Grades 1 and 2, will quickly increase Grade 5 enrollments. If the transition rate to lower secondary education is kept at its present level and retention does not deteriorate, LSE enrollments, especially in Grade 8, will also increase quickly.

LSE coverage is highest in urban areas, big cities and economically developed areas; lowest in rural ethnic group areas and poor districts. This discrepancy accounts for a widening gap in learning opportunities. High enrollment rates, lack of classrooms and lack of teachers result in high pupil/teacher ratios in urban areas; whereas the seemingly positive low pupil/teacher ratios in rural areas are more accurately reflective of low enrollment rates. Gender disparity, too, manifests itself more prominently in rural, remote and ethnic group areas.

Non-formal Education

NFE plays a key role in achieving EFA targets because it offers low cost mechanisms to increase adult literacy rates and promote skill development, self-employment and participation in income-generating activities. A significant challenge is to achieve a reported adult literacy rate of over 98%, and a tested basic literacy rate of 61% by 2015. Currently, only 45.2% of the adult population are considered literate at a basic level. Determinants of literacy include socio-economic status, urban-rural residence, level of education, ethnicity (spoken language at home), source of literacy (formal, non-formal or informal sources), and year of leaving school.

The non-formal education programmes target 3 groups:

- Children and young adults aged 6-14 who did not have a chance to be admitted into primary school and are willing to follow literacy and continuing education courses
- Adults aged 15-40 who are illiterate and are willing to participate in literacy and continuing education courses
- Young adults aged 15-24 who do not have definite vocations and are willing to participate in basic vocational training

The trends and magnitude of school leavers are increasing; however, the capacity of the NFE programmes is limited and participation of the target groups is decreasing each year. The NPA, thus, proposes improvements in the design of NFE vocational and rural skills training programmes to reach these target groups.

Finances

The share of education expenditure in relation to total public expenditure should increase from a 2004 share of 11.8% to 18.0% by 2015. This increase is needed to meet recurrent expenditures required to sustain investments in the quality of teacher training and the teaching environment, and in the relevance of curriculum/textbooks in order to reap the benefits they should produce. Increased funds are also required

to enable increases in civil servant salaries. Improving teachers' working conditions and salaries is necessary to support the objectives of teacher training, recruitment, deployment and motivation. The ability and competencies of the teaching force and curriculum development units need to be strengthened. Due to the high attrition rate of teachers and low incentives/salary level of teachers, there is a severe shortage of trained teachers. **An increase in teacher salaries is the single most important factor driving education expenditure in the near future.** The NPA proposes a raise in teacher salaries closer to the regional average of 2.4 of GDP per capita.

Hence, in order to achieve its EFA goals, the Lao community, government, private sector and international development partners must meet their commitments to provide the necessary resources and work together effectively so that the future of the country's children is secure.

POLICY ANALYSIS

The following main policy issues have been considered when designing the NPA:

- Balanced sector development
- Balanced development of EFA sub-sectors
- Salary increases compatible with public resources
- Other incentives (quotas and scholarships)
- Macro-economic progress and financial feasibility
- Risk assessment in relation to trends in public resources

Balanced Sector Development

EFA is only part of the MOE's policy, and must be considered within the context of overall sector development. All levels and types of education must be developed according to a long-term view of what the sector should achieve to maximize economic growth, eradicate poverty and reduce inequalities. In addition, decisions concerning non-EFA sub-sectors have an impact on resources available for EFA and its subsequent achievement. For example, while transition from Grade 5 to Grade 6 is part of the EFA targets, transition rates to post-lower secondary and tertiary education are not. Nonetheless, these rates are also crucial variables in the overall planning process. Therefore, in addition to transition rates at the end of primary (Grade 5), those rates for lower secondary (Grade 8) and upper secondary (Grade 11) have been considered, as well.

It was finally decided to opt for a high transition rate from Grade 5 to Grade 6 (85% in 2014/15 as compared with 78.7% in 2002/03), in order to pave the way for a generalization of basic education (primary plus lower secondary) between 2020 and 2025. In addition, it was decided to add one grade to lower secondary education to align basic education in Lao PDR with the standard of the region (see below). On the other hand, MOE opted to keep constant the transition rate from Grade 8 to Grade 9 (85% in 2014/15 as compared with 84.4% in 2002/03) for two main reasons: (a) to prevent upper secondary education from developing too quickly, which would be too costly to be compatible with EFA targets; and (b) to take into account the need to orient enough Grade 8 graduates towards the 8+3 programme of pre-service teacher training (TT 8+3)¹ in relation to the generalization of primary education and vocational education and training (VET) studies. Finally, MOE decided to keep constant at 76% the transition rate from Grade 11 to further studies until EFA is achieved.

¹ There have been many teacher training programmes to address the shortage of teachers. They are: TT 5+4 (5 years of primary education plus 2 years of secondary equivalency education and 2 years of teaching methodology: qualified as primary school teacher in remote ethnic areas); TT 8+3 (8 years of primary and lower secondary education plus 3 years of teaching methodology: qualified as primary school teacher); TT 11+1 (11 years of primary, lower and upper secondary education plus 1 year of teaching methodology: trained for a short period, but qualified as primary school teacher); TT 11+3 (11 years of primary, lower and upper secondary education plus 3 years of teaching methodology: qualified as lower secondary school teacher); TT 11+5 (11 years of primary, lower and upper secondary education plus 5 years of teaching methodology: qualified as upper secondary school teacher).

Balanced Development of EFA Levels and Types of Education

EFA includes ECCD, primary education, lower secondary education, NFE and skills training. While generalization of primary education is the core EFA objective, there are clear and important links between primary education and the other EFA levels and types of education. ECCD, for example, has a clear impact on access, internal efficiency and achievement in primary education, and it should be developed at a rate compatible with the achievement of other EFA objectives. Since pre-school development is costly – and in order to alleviate cost to the MOE - the option of promoting community pre-school with some MOE assistance has been considered. In addition, two main policy variables have been considered:

- Enrollment rates in crèches and pre-schools
- Share of public and community institutions to private institutions

As noted earlier, priority has been given to the development of pre-schools over crèches and, in pre-school, to the admission of 5-year-olds over younger children. Alternative targets were considered for 3-4-year-old and 5-year-old enrollment rates in 2014/15. While a fast development of 5-year-old admissions in pre-school was initially considered, the final choice favored a more moderate (but still rather quick) increase of the 5-year-old enrollment rate of 50% in 2014/15, as compared with 9.2% in 2002/03.

As far as public versus community institutional development was concerned, it was decided to opt for a not-too-quick development of community pre-schools during the first period (2005/09), under the assumption that it would take time to foster community participation. While the development of public pre-schools is under the control of the MOE and Provincial Education Services (PES), the establishment of community pre-schools depends on the mobilization of communities and their willingness to contribute in kind and in cash, even if the Government is subsidizing such schools. Setting targets for the number of community institutions and their enrollments is, therefore, open for debate. Achievements should be closely monitored by MOE and provincial authorities.

While private pre-schools will be established in wealthy urban areas where there is willingness and ability to pay, public and community pre-schools should be established in poor areas. Criteria for establishing public institutions as opposed to community institutions should be discussed thoroughly in the long-term, low-cost and sustainable ECCD strategy that is programmed.

Lower secondary education has already been discussed in the previous section, with the long-term objective being the generalization of basic education in the country. In a vast majority of countries in the region and around the world, basic education consists of nine grades, and the MOE deemed it necessary to adjust to international standards. From 2010/11, a ninth grade will be added to lower secondary education, and the structure of the education system will become 5 + 4 + 3, instead of 5 + 3 + 3. This decision will have a significant impact on EFA recurrent and investment expenditure, as well as on total sector expenditure.

NFE plays a key role in EFA, since it is a way to both quickly increase the adult literacy rate **in association with the generalization of primary education** and to promote skill development, self-employment and income-generating activities. Therefore, the MOE decided to: (a) annually enroll a significant proportion of young adults into non-formal primary courses who have never been admitted to school or who have dropped out; (b) annually enroll a significant proportion of the illiterate adults in adult literacy programmes; and (c) annually enroll a significant proportion of illiterate adults and some primary dropouts in basic vocational and life skills programmes.

Salary Increases Compatible with Public Resources

Improving teachers' working conditions and salaries is extremely important to support the objectives of teacher training, recruitment, deployment and, especially, motivation. Various levels of salary increase that would contribute to re-motivate teachers while being compatible with macro-economic and fiscal parameters were considered. Three alternative targets were considered to allow the average primary teacher salary to gradually increase from a 2002 rate of 0.64 GDP per capita to reach either 1.8, 2.0 or 2.2 GDP per

capita by 2010 (salaries of teachers in levels other than primary would maintain the same ratio to primary teacher salaries as in 2002/03). Even the lower target has a strong impact on recurrent education expenditure. Indeed, **the increase in teacher salaries is the single most important factor driving education expenditure for the near future**. It was thus finally decided to select the second option, which would bring the country's teacher salaries closer to the regional average of 2.4 GDP per capita.

Other Incentives (Quotas and Scholarships)

In 2002/03, the scholarships which were granted to students in institutions for teacher training, vocational and technical studies, and higher education amounted to 7% of the MOE's total recurrent budget. While the option of suppressing quotas and scholarships was considered, it was finally agreed to progressively limit their numbers, especially for students in VET.

Macro-economic Progress and Financial Feasibility

EFA projections and resource needs are primarily dependent on public resources and the share allocated to education. No EFA NPA may be tested for financial feasibility without inserting it into a macro-economic and fiscal set of projections that assess future GDP and public resources growth.

GDP growth for the overall 2004/15 period is estimated at 7.0% (high assumption). Total public revenues (excluding grants) amounted to 11.5% of GDP in 2002/03, and are projected to increase to 20.5% of GDP in 2014/15. This is a strong increase based on: (a) a sustained economic growth over an 11-year period, (b) a policy of significantly improving tax recovery, (c) increased cost recovery of specific public services, and (d) increased revenues from various activities.

Based on economic growth and such a global improvement of the public accounts, total public recurrent expenditure could increase from 9.2% to 15.0% of GDP, and total public investment expenditure could decrease from 12.7% to 8.5% of GDP. On the one hand, public recurrent expenditure must increase very significantly: (a) to sustain expenditure associated with past and present investments in order to realize the benefits they should produce, and (b) to allow for increased civil servant salaries. On the other hand, investments will not increase quickly in the future because: (a) external loans and grants will decline in proportion to GDP as the country develops and (b) basic investment needs will be less acute.

Finally, the share of education expenditure within total public expenditure should increase from 11.8% to 20.2% during the projection period (reaching a peak of 22% in 2010/11 with the introduction of a ninth grade in lower secondary education). This overall increase is linked to the recognition that education is a crucial priority, and one of four poverty reduction strategy pillars. Yet, with the planned share of education expenditure intended to reach 15% in 2009/10 and 18% in 2014/15, there will be a financing gap reaching a peak of 7.1% of total public expenditure, or 532 billion Kip in 2009/10, and declining to 2.5% of total public expenditure, or 277 billion Kip, in 2014/15.

As a share of GDP, total education expenditure (TEE) should jump from 2.3% in 2002/03 to 4.25% in 2009/10, and 4.57% in 2014/15. This is not far from the average of other countries, but it does represent a very quick increase that must be tested for feasibility and absorptive capacity.

To a very large extent, the increase in TEE is due to changes in recurrent expenditure which are multiplied by 10 in constant prices, while investment expenditure is divided by two. Three main factors are driving recurrent education expenditure:

- Salary increases (in comparison with the target of 1.8 GDP per capita in 2014/15, the target of 2.0 GDP per capita will cost an additional 150 billion Kip)
- The generalization of primary education and the improvement of its quality

- Transition rates from Grade 5 to Grade 6 (In comparison with a transition rate of 80% from Grade 5 to Grade 6 in 2014/15, a transition rate of 85% will cost an additional 48 billion Kip.)

Any attempt at finding a more sustainable development of the education system should consider less ambitious targets for the above mentioned variables.

Risk Assessment in Relation to Public Resources

In order to assess the risk associated with over-estimating public expenditure and the share of public expenditure allocated to education, a sensitivity analysis was conducted to assess the impact on the sector gap of marginal changes in those two key variables. This analysis found that in 2014/15, a marginal decrease of 1% in the share of public expenditure in GDP and the share of public expenditure allocated to education would induce a 158 billion Kip increase in the sector gap. It would, thus, be strongly advised that the MOE, along with the Ministry of Finance (MOF) and Committee for Planning and Investment (CPI), closely monitor trends in the macro-economic and fiscal area before making decisions about (1) salary increases and (2) further progress in the variables that strongly impact education expenditure.

CHAPTER 1

The Context for EFA





Section 1 – Social and Economic Context

1.1 National Goal and Development Stages

In 1996, the 6th Lao People's Revolutionary Party Congress called for the country's national long-term development goal: To graduate from the ranks of the LDC by the year 2020 through sustainable economic growth and equitable social development, while at the same time safeguarding the country's social, cultural, economic and political identity. Foundations have been laid for the building of the country to:

- Move consistently towards a market-oriented economy
- Build-up needed infrastructure throughout the country
- Improve the well-being of the people through greater food security, extension of social services, environmental conservation, and enhancement of the multi-ethnic population's spiritual and cultural life

National development efforts have taken place in three stages. These stages are closely interlinked and need to be developed simultaneously to ensure the progressive transition from an isolated, subsistence-based rural economy to a production and services economy that can coherently achieve the 2020 goal.

Stage One: Establishment and implementation of the NEM

The "new economic mechanism" (NEM) was launched by the Government in 1986 in order to gradually transform the economy from a centrally-planned to market-oriented model.

Stage Two: Structural transformation and capacity-building of the economy

The Government has undertaken structural transformations with a focus on developing transport and communications networks, promoting national and regional integration, and moving towards becoming a full economic partner among countries in the region.

Stage Three: People-centered and sustainable development

Participatory people-centered development includes the achievement of basic food security, the preservation of natural resources and decentralization of development responsibilities to enable greater public participation. The immediate aim is to enhance conditions everywhere in the country, enabling the multi-ethnic population to have access to what are considered the basics of sustainable development: food security, market opportunities, education and health.

Education in the National Development Framework

Despite economic growth in previous years, the educational situation in Lao PDR indicates imbalance and conflict between socio-economic growth and that of the education sector. The resolution of the Fifth Party Congress on human resource development put emphasis on the following:

- Enforce compulsory education for children and youth by using mainly State funds
- Completely eradicate illiteracy among illiterates and neo-illiterates
- Promote and expand private education, both formal and vocational
- Reorganize lower secondary, upper secondary, and vocational education in the provinces to match the actual needs of the country, and examine students at every level
- Develop personnel for all socio-economic sectors, and not only for State apparatus
- Gradually raise the quality of education to international standards

- Expand education to reach the remote, isolated, and mountainous areas by building ethnic boarding schools in certain appropriate areas to establish conditions for children of ethnic groups to attend schools
- Improve the system of monk education by providing knowledge of dharma, linguistics, and literature, and by clearly outlining policies for monks' education.

The Education Objectives: To build a young generation with global scientific knowledge, patriotic values, a spirit of solidarity with ethnic groups in the country and with friendly countries in the world; to know their rights and interests and obligation as citizens, how to preserve and expand the traditions and culture of the nation, and how to be self-dependent and self-strengthening; to be economical and know how to harmoniously combine personal interests with that of the collective; to equip themselves with general knowledge and knowledge in specialized fields, specifically in science and technical fields; to be moral, disciplined, responsible, and dutiful; to be healthy, innovative, and of a civilized mind; and to be prepared for the defense, construction and development work of the nation.

The Article 19 of the Lao PDR Constitution states:

“The State emphasizes the expansion of education in conjunction with building a new generation of good citizens. Education, cultural and scientific activities are the means to raise the level of knowledge, patriotism, love of the people’s democracy, the spirit of solidarity between ethnic groups and the spirit of independence. The pursuit of compulsory primary education is important. The state permits private schools that follow the state curriculum. The government and citizens jointly build schools of all levels to complete the education system, with emphasis on the expansion of education in ethnic group areas. The State promotes the beautiful heritage of the nation and a progressive culture of the world, eliminating all those actions that reflect unprogressive ideology and culture. It promotes cultural, artistic legacies and mass media (coverage of) mountainous areas. It preserves the nation’s historical heritage sites and assets.”

In response, the Prime Minister issued the Decree of Order on Compulsory Primary Education in Lao PDR in 1996, which identified the following principles of compulsory primary education:

- Primary education is the first level of general education, and includes five years of schooling. It establishes the basic educational level that should be attained by all Lao citizens.
- All Lao citizens residing in the country must receive primary education thoroughly and equally beginning at 6 years of age, regardless of race, religion, sex, ethnicity, and social/economic status.
- All pupils enrolled must complete primary schooling. They shall continue schooling without dropping out or leaving school until the age of 14, except for those with physical and mental health problems who cannot continue their schooling even though sufficient care may have already been provided.
- Education services can be provided in the form of either public or private schooling; however, the content must be ensured with the aim to develop children physically and mentally with high capability in compliance with the curriculum designed by the Ministry of Education.
- The government and the people will join efforts to be responsible for education management and services in all public primary schools. The services in the schools are free of charge.

With reference to Article 14 of the Education Law, “Establishment of Special Schools for People with Disabilities,” the State is mandated to establish special schools for people with serious disabilities. For those with light disabilities, the State is responsible for facilitating their enrollment in local schools, as well as for mobilizing both private sector and civil society to invest in the establishment of inclusive education schools. Article 24 also highlights the State’s role in providing scholarships for students with disabilities and in mobilizing civil society to provide support, as appropriate.

Presently, a high percentage of ethnic group children do not attend school, and the illiteracy rate among ethnic groups is very high. The quality of primary education is still relatively low, due to inadequate textbooks and the low quality of teacher training. There is a large portion of untrained teachers in the teaching force. Enforcement of compulsory primary education alone will require more effort and more flexible strategies.

1.2 The National Growth and Poverty Eradication Strategy (NGPES)

The NGPES is central to the national development agenda, and reflects a government policy and strategy framework that operationalizes national objectives. The strategic vision behind the NGPES is poverty eradication through strong economic growth, the continuous building up of the country in all areas, and increased focus on the poorest districts to ensure that they become increasingly integrated into the national economy.

The NGPES addresses the enhancement of an overall environment conducive to growth and sustainable development. The strengthening of this environment rests on 4 pillars:

- Strengthened macro-economic framework
- Strengthened business and investment environment
- Improved management of the public sector
- Broadened national resource and revenue base

The strategic linkages are based on four main sectors:

The **agriculture/forestry sector** focuses on food security and increased supply of agriculture products to create income and wealth. Approaches include sustainable development of sloping land; environmental management; stabilization of shifting cultivation; irrigation; and human resource development. This is to be accomplished while ensuring that lowland agricultural/forestry potential for market-oriented production is achieved in an equitable manner.

The **education sector** strives to achieve “Education for All” goals by accomplishing three major tasks: making access equitable, improving quality and relevance, and strengthening education management.

The **health sector**’s focus consists of ensuring nationwide health service with an emphasis upon prevention, intensification of health information education and communication as an integral part of health services. Support is to be provided for further expansion of the health service network to rural areas, maternal and child health promotion, reproductive health for adolescents, immunization, clean water supply and environmental health.

Transport infrastructure is vital to national and regional integration, and essential to the large proportion of the population that does not have access to roads. Access to roads is one of the highest priorities. The transport sector is to continue development of infrastructure nationwide to enhance growth. Increased focus will be placed on the poor districts through the development of road networks in rural areas to encourage market linkages, tourism and trade, as well as to supply electric power in rural areas for rural industrialization.

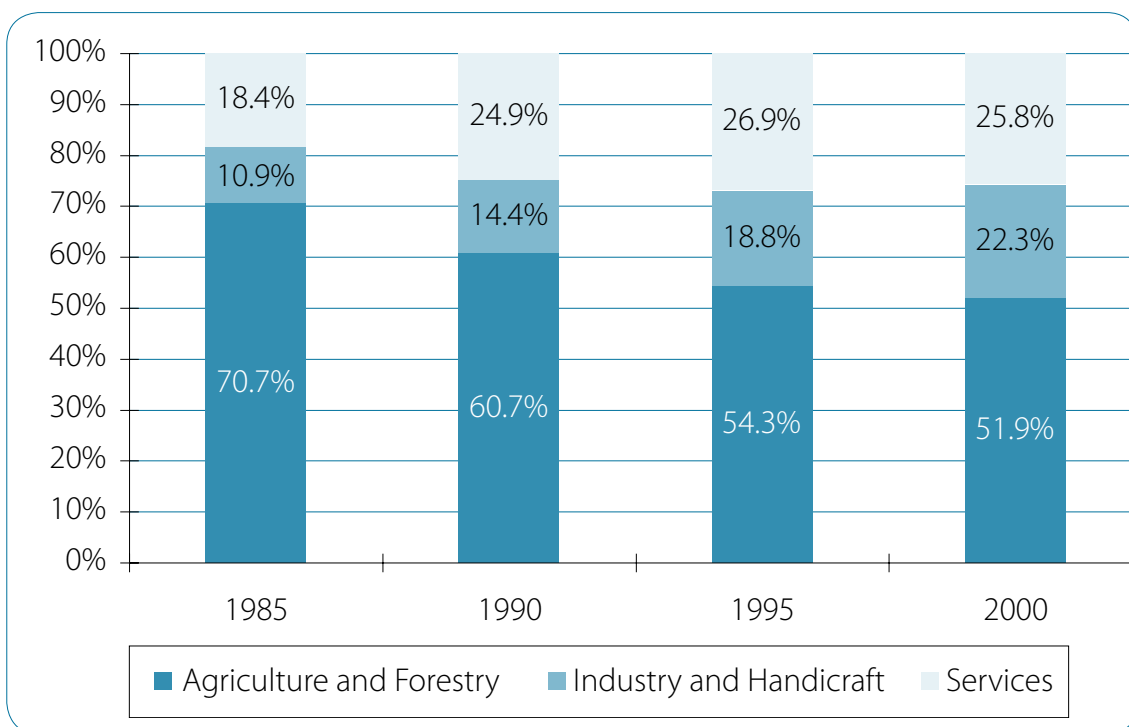
1.3 The Status of the Economy and Population

Lao PDR is predominantly a rural society with an agriculture-based economic structure. Improvement in social conditions and the creation of income, especially in rural areas, are top government priorities. The integration of rural areas into the national market economy is seen as central to eliminating widespread poverty. Thus, rural development - in its social and physical dimensions - is considered key to the eradication of mass poverty and sustainable improvement in social well-being.

Since the introduction of the New Economic Mechanism (NEM) in 1986, the industrial and service sectors have experienced a high level growth. Agriculture remains the basis of the national economy, accounting for 51.9% of the economy.

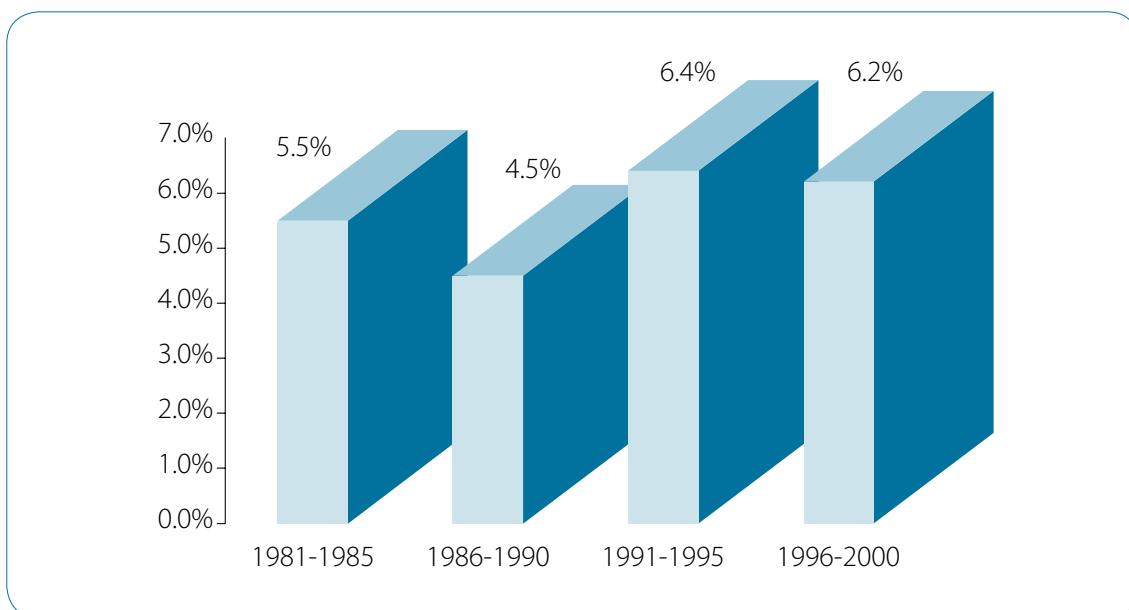
Over the past years, GDP has increased steadily at an annual growth rate of up to 6.2%. The estimated per capita GDP in 2000 was US \$320.²

Figure 1: Share in Economic Structure



Source: National Statistics Center 2000

Figure 2: GDP Growth Rates



Source: National Statistics Center 2000

² CPC. (2001) *Draft Socio-Economic Development Plan from Present to the Year 2020*. Vientiane: CPC. and CPC. (July 2001) *The Fifth 5-Year Plan for Socio-Economic Development (2001-2005)*. Vientiane: CPC.