

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Lao People's Democratic Republic	Project Title:	Second Strengthening Higher Education Project
Lending/Financing Modality:	Project	Department/Division:	Southeast Asia Department/Human and Social Development

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Lao PDR's National Growth and Poverty Reduction Strategy (2003), 7th National Socio-Economic Plan (NSEDP) 2011–2015, and Education for All (EFA) Action Plan all emphasize the central role of education and human resource development for poverty reduction. The 7th NSEDP aims to support sustainable economic growth, reduce poverty and inequality and significantly scale up human capital. For its part, the ADB-Lao Country Partnership Strategy (CPS) 2012–2016 is closely aligned with national priorities, and includes education as a core area. The CPS includes a focus on quality higher education and technical and vocational education and training that meet the needs of small and medium enterprises. ADB has also actively worked with the government and development partners to develop and implement the Education Sector Development Framework 2009–2015, which the proposed project will directly support. The proposed project is consistent with the strategic directions outlined in ADB's Strategy 2020 and Midterm update. It would contribute to poverty reduction directly by promoting equitable access to, and improved quality of, higher education, and by supporting inclusive economic growth through the upgrading of human capital in Lao PDR.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

Key issues. Based on the international poverty line of \$1.25 per day, poverty decreased from 41.4% in 2002–2003 to 28.8% in 2012–2013. The poverty headcount ratio declined in the same period from 33.5% to 23.2%. Despite this, the poverty rate in Lao PDR remains well above neighboring countries, including Cambodia, Thailand and Viet Nam. While economic growth has led to a reduction in the overall poverty rate, significant inequalities exist across educational levels, region, urban vs rural, employment status and ethnic grouping. While most provinces experienced a decline in the poverty rate between 2007–2008 and 2012–2013, three provinces – Champasak, Bokeo and Saravane – actually saw an increase in their poverty rate over that period.¹

Design features. The project will support increased enrolments at Savannakhet University, as well as increased numbers of qualified academic staff, improved infrastructure and educational equipment. Student dormitories, including those for girls, will be delivered at Savannakhet University. Scholarships will be introduced for disadvantaged students and for girls. Student loan schemes to increase access to higher education will be piloted. A digital library for public and private higher education institutions (HEIs) will be established. Revised curricula, course materials and textbooks will be provided to public and private HEIs. Entrepreneurship training will be integrated into the higher education curriculum.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** The direct beneficiaries will be those students who will graduate from an expanded and improved higher education system, and particularly those who will graduate from Savannakhet University. The benefits will primarily accrue from the increased quality of provision offered by public and private HEIs, and from the expanded and improved classroom, laboratory and dormitory space, particularly at Savannakhet University, but also at other HEIs. The project will support increased enrolments at Savannakhet University, as well as increased numbers of qualified academic staff. Students at all public and private HEIs will benefit from the improved curriculum, learning materials and textbook distribution. A number of staff and students will benefit from financial assistance in the form of scholarships and students will benefit from the piloting of the student loan scheme.

2. **Impact channels and expected systemic changes.** Those poor who are able to complete high school will benefit from the increased opportunities for higher education created by the development of the new campus at Savannakhet University. The introduction of scholarship for women and disadvantaged students will open up opportunities for higher education for those who have the academic qualifications to enter university, but who do not have the financial means to afford the tuition, living costs or other expenses. Job opportunities will be created during both the construction and operational phases of the new Savannakhet University campus.

3. **Focus of (and resources allocated in) the PPTA or due diligence.** Gender will be a key area of focus for the

¹ World Bank. 2014. *Poverty in Laos. Highlights from the LECS 5 Analysis*. Vientiane

PPTA. Particular areas of focus include curriculum and learning materials, dormitory design and delivery, and design of the student and staff scholarship programs, and the student loan scheme.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Lao PDR has made significant progress in increasing female representation in the tertiary education sector. In 1999, females made up only 32.1% of tertiary education enrolments. By 2012, this figure had increased to 44.6%. However, female enrolments are concentrated in study fields such as social sciences/business/law (48.1% of enrolments), and education (50.7% of enrolments), rather than engineering/manufacturing/construction (12.5% of enrolments) and agriculture (32% of enrolments). In 2011, the gender parity index for the gross enrolment ratio stood at only 0.7 in Lao PDR. This is lower than Asian neighbors such as Malaysia, Myanmar, Thailand, and Viet Nam, where the gender parity index for the gross enrollment ratio ranged from .8 to 1.3. The number of female researchers as a proportion of total researcher stood at 13.2% in 2010 – below comparators such as Thailand and Viet Nam, but well ahead of Cambodia.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No The project will provide scholarships for students and staff, staff training, dormitories for girls to help lift higher education female enrolment rates, and a revised curriculum and learning materials. Student loans will also be piloted. A gender action plan will be prepared during the PPTA.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No The project will increase opportunities for girls and women. Effective design and implementation will be necessary to ensure that agreed gender actions are incorporated in the design and carried through during project implementation.

4. Indicate the intended gender mainstreaming category: EGM (effective gender mainstreaming)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders are students, teaching staff, governors and administrative staff in the Lao PDR higher education sector. They will be consulted throughout project design. Development partners will also be consulted to ensure coordination of development assistance.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? The move towards demand-side financing – such as through scholarships for women and disadvantaged groups – will empower these groups as they will have greater choice in where they can go to university. More generally the focus on lifting enrolments for females will empower them by building their human capital, thus opening up economic opportunities for them.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design? Student associations, L'union des femmes Lao, Lao Youth Union, university staff unions, education-related NGOs, Lao National Chamber of Commerce and Industry and Private Education Sector Association.

Information generation and sharing (H) Consultation (H) Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No Issues surrounding the design of the scholarship program, the student loan scheme and enhancements to the curriculum (including entrepreneurship).

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No The project involves the development and delivery of a new campus for Savannakhet University, to be developed on a large plot of land that is owned by the government. It is our understanding, including based on site visits, that only one household may have to be relocated and/or compensated for economic loss. The PPTA will confirm the ownership status of the land and determine what, if any, resettlement and compensation will need to be paid to this affected household. Any other construction will be done on cleared land already owned by the government.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix

<input type="checkbox"/> Environmental and social management system arrangement	<input checked="" type="checkbox"/> None
B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social Impact matrix
	<input checked="" type="checkbox"/> None
V. OTHER SOCIAL ISSUES AND RISKS	
1. What other social issues and risks should be considered in the project design?	
<input checked="" type="checkbox"/> Creating decent jobs and employment	<input type="checkbox"/> Adhering to core labor standards
<input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS	<input type="checkbox"/> Labor retrenchment
<input type="checkbox"/> Increase in unplanned migration	<input type="checkbox"/> Increase in human trafficking
<input type="checkbox"/> Creating internal social conflicts	<input type="checkbox"/> Increase in vulnerability to natural disasters
<input type="checkbox"/> Others, please specify _____	<input type="checkbox"/> Creating political instability
2. How are these additional social issues and risks going to be addressed in the project design? Covenants requiring engagement of local staff at decent wages as part of the delivery and operation of the new campus.	
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT	
1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?	
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence? Gender and social safeguards specialist	